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FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

Sri Lanka birthday celebrations strike sour note, Page 16

No. 30,455 Thursday February 4 1988

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World News Business Summary

Rumours of Soviet N-accident 'groundless'

Rumours of a nuclear accident in the Soviet Union might have been triggered by a test message from the International Atomic Energy Agency to the World Meteorological Organisation, which said it was investigating in Vienna, however, the IAEA denied sending test messages suggesting a nuclear accident had occurred.

Tricentral accepts \$329m bid from Arco

TRICENTRAL, UK oil company, gave up its struggle to remain independent when the company's board recommended a \$187m (\$329m) takeover bid from Atlantic Richfield, US oil company. Arco immediately raised its stake in Tricentral to 47 per cent. Page 17

West Germans 'pay to free dissidents'

West Germany was believed to be paying for the release of East German civil rights campaigners arrested last month after an attempted demonstration in East Berlin. Page 16

Gulf tanker attacked

An Iranian gunboat attacked a Norwegian chemical tanker off Sharjah in the United Arab Emirates. Moscow ceasefire call, Page 8

France sets poll dates

The French Government set the dates for presidential elections, announcing that a first ballot would be held on April 24 and a second on May 8. No candidate won an absolute majority in the first round.

Italian crisis looms

Italy appeared to be moving towards a major political crisis after the Government was defeated four times in parliament.

'Borschel lied' verdict

Former Schleswig-Holstein Premier Uwe Borschel, who apparently committed suicide last October, lied in testimony to cover up a "dirty tricks" scandal, a state parliamentary inquiry concluded.

N-plant test shelved

Britain said it had postponed a controversial nuclear power plant experiment after protests by environmentalists and the Irish Government.

Libya-Brazil arms deal

Libya has offered to invest \$2bn in developing Brazilian tactical missiles, in return for an option to acquire some, according to Brazilian military sources, quoted in Britain's Jane's Defence Weekly.

US-Italian aircraft talks

US Secretary of Defence Frank Carlucci confirmed he would discuss with the Italian the possibility of transferring 72 F-16 aircraft from Spain to an Italian base. Page 2.

EC to end Aids tests

The European Community will stop the obligatory testing of job applicants for Aids, an EC spokesman said.

Support for settlers

Israeli Prime Minister Yitzhak Shamir promised support for militant Jewish settlers in the occupied territories.

Colombian candidate

Carlos Lehder Rivas, on trial in the US for allegedly smuggling 3.3 tonnes of cocaine, registered his candidacy for seats on regional and city councils in central Colombia.

Car pollution plan

The EC approved measures to clean up toxic exhaust emissions from small cars with an engine size smaller than 1.4 litres. Page 2

Falklands warning

Argentina warned that new Falklands fishing permits granted by Britain could increase tension around the South Atlantic islands over which the two countries went to war in 1982.

Stars in a business that is running out of sparkie

THEY ARE a well-suited pair, one tall, one short, one breezy, one cold: Wall Street's Laurel and Hardy at several powers of intelligence.

But Mr Joe Perella and Mr Bruce Wasserstein, who were heads of investment banking and mergers and acquisitions at First Boston until Tuesday morning, were stars in a business which is running out of sparkie. Their departure is one more sign of the cold, new era on Wall Street ushered in by the crack in the markets on October 19. And their going is bad, though probably not disastrous, for First Boston.

The respectable, old-line firm had fallen prey to competition in its traditional businesses - underwriting debt for industrial companies and utilities. In 1978, it earned only \$1.1m on equity of \$110m. By 1982, Perella and Wasserstein had catapulted the company into the front rank in the go-go business of advising companies on takeovers. The company's return on equity was up 30-fold.

The two men handled such huge deals as US Steel's \$6.38bn acquisition of Marathon Oil. Mr Wasserstein helped capture Getty Oil for Texaco for \$10bn. He is credited with adding several refinements to the takeover game, including the heavyweight bridge loan where an investment bank commits its own capital to see a hostile takeover through.

They were Masters of the Universe - like the vainglorious Wall Street trader in Tom Wolfe's new novel, *The Bonfire of the Vanities*. Even last year, as other stars of the takeover era went into partial or total eclipse, Perella and Wasserstein were as bright as ever.

First Boston's M & A group, now 170-strong, did more deals (174) last year than any Wall Street house, according to IDD Info Services.

Mr Wasserstein's bridge loan to Campeau to take over Allied

Taiwan approves reforms of national bodies

By Bob King in Taipei

TAIWAN'S ruling Nationalist Party has approved a proposal that calls for a sweeping restructuring of major national bodies. The decision effectively ends the dominance of ageing Nationalist partisans who last stood for election more than 40 years ago in mainland China.

Under the plan, veteran members of the National Assembly, which meets every six months and is responsible for electing the president, will be retired with handsome pensions. The same will be the case for members of the government watchdog body - the Control Yuan.

At the same time the number of seats filled by candidates from Taiwan will be significantly increased. No provisions are made for new seats to represent the various provinces in mainland China, of which Taipei still claims to be the legitimate government.

The decision, made by the party's powerful central standing committee yesterday, was a major unfulfilled priority of the late President Chiang Ching-kuo, who died on January 13 at the age of 77.

Mr Chiang had set in motion a number of political reforms that culminated last July with the lifting of nearly 40 years of martial law and the legalisation of new political parties.

Party officials said after Mr Chiang's death that reform of the national bodies, along with a greater degree of autonomy for bodies at the provincial, county and township levels, were next on his list.

Much of the groundwork for reform of the national bodies had already been laid, despite fierce opposition from some party hardliners, who feared that putting ageing partisans out to pasture and replacing them with people born in Taiwan would be tantamount to abandoning the Nationalist claim to be the legitimate government of all China.

The Nationalists, led by General Chiang Kai-shek, fled the mainland after the communist victory in 1949.

The Government has, nevertheless, clung to its claim of legitimacy and has rejected continued calls from Peking for unification under communist terms.

Yesterday's decision to reform the national bodies and exclude mainland-born representatives can only increase alarm among Peking's own ageing leaders that unification may not come in their lifetimes.

Last week, party progressives won another round in their struggle to make the party more representative of its Taiwanese constituents when success was achieved.

SEC seeks increased power to regulate trading in futures

BY STEWART FLEMING, US EDITOR, IN WASHINGTON

THE US Securities and Exchange Commission should have a larger role in the regulation of trading of equity-related products in the futures markets, Mr David Ruder, the SEC Chairman, said yesterday.

This was immediately challenged by Miss Wendy Gramm, the nominee to head the rival Commodity Futures Trading Commission, which would lose authority under Mr Ruder's proposals.

In testimony before the Senate Banking Committee, the day after the publication of the SEC's study of the markets, Mr Ruder said that, although there was nothing intrinsically undesirable about computerised portfolio trading by large financial institutions, "extreme price movements in the periods of time that are induced or exacerbated by structural problems within the markets can have a number of damaging effects."

Consequently, "consideration must be given to changes in the supervisory structures so that all equity related products are regulated through mandated co-ordinated regulation, if not by one agency," he said.

Anticipating potential conflict between the two regulatory agencies, like the SEC and the CFTC, if regulatory co-ordination is left on a voluntary basis, he said: "The SEC believes that attempted co-ordination of regulation with respect to equity-related products may produce irreconcilable disagreements, and that measures to resolve disagreements

listed co-ordinated trading halts, anti-manipulative and frontrunning rules and other matters.

He also said that the SEC's present authority to review proposed index futures contracts, to ensure that they were not susceptible to manipulative activity, should be expanded to include review of both new and existing contracts and to permit consideration of the impact of these products on the orderly operation of the stock market.

Mr Ruder said that the holding chairman of the Commodity Futures Trading Commission, told the committee later in the day that the Government should set limits on the daily movement of prices in US financial markets to dampen excessive volatility after the stock market crash.

"If the overriding concern is to prevent a repeat of the kind of market drop we saw on October 19, the one way I know to assure this is to institute price limits on increased regulatory powers as a result of the stock market crash, assuming new regulation is coming."

The SEC and the CFTC have long considered each other suspiciously because of their increasingly overlapping responsibilities.

Smoke starts to rise, Page 4; Editorial comment, Page 14.



Ruder: anticipating conflict between the SEC and the CFTC must be created by new legislation.

La Générale bid battle sparks feverish buying

BY TIM DICKSON IN BRUSSELS

BETWEEN 20 per cent and 30 per cent of the shares in Société Générale de Belgique may have changed hands yesterday as Belgium's biggest ever bid battle reached a new pitch of excitement.

The feverish buying on the Brussels bourse - strongly rumoured to have been inspired by friends of the Société Générale board - came as a Belgian judge started to hear the first arguments in an appeal lodged by the group against a previous court decision blocking its planned issue of new shares.

This so-called "poison pill" is intended to dilute the holding of Mr Carlo De Benedetti, the Italian businessman who already directly or indirectly speaks for 18.6 per cent of Société Générale and who is awaiting permission to launch a formal offer for a further 15 per cent.

Last night, however, the tension heightened when a court official said that the decision in what is widely felt to be a crucial case would not now be announced until next Tuesday morning at 9am.

Most of the action yesterday was on and off the Brussels bourse, where an unprecedented 2m shares in Société Générale were recorded and volumes for the whole market reached an all-time high.

On top of this, however, it appears that a major stake in Société Générale, between 2.5m and 4m shares, was sold either on Tuesday or early yesterday and that other transactions outside the market were taking place. The vendors are thought to have been a mystery group of wealthy Flemish investors.

Cerus, the Paris based financial holding company whose bid on Mr De Benedetti's behalf has been held up by the Belgian Banking Commission, was in no doubt about the origin of the

buying. A Cerus official said emphatically that 4m shares had been sold at BF4,000 (\$114) per share (compared to the market closing price last night of BF3,600) and that "the transactions had been organised by the French-based 'defence syndicate' of Société Générale de Belgique."

Market officials confirmed that such a deal had been made and that French interests were involved but no names are being firmly cited. One possible white knight mentioned was Compagnie Financière de Suisse.

An official for Société Générale denied last night that the company or its associates was buying its shares, though she added: "It could be friends, though we don't know." Cerus equally dismissed ideas that Mr De Benedetti's companies were involved though it also disclaimed responsibility for "friends that might be interested in supporting us." Both parties have already been ordered not to buy shares in the market by the Brussels commercial court.

The involvement of Mr Andre Leyesen, the Flemish businessman, who claims to speak for a group of Belgian and European institutions prepared to subscribe for at least 10m of the 12m new shares which the Société Générale board wants to issue, was also uncertain.

Mr Leyesen, who shares many of Mr De Benedetti's ambitions for the company but wants to retain a pivotal Belgian shareholding in Société Générale, had what was described as a "cordial" meeting with the Italian entrepreneur in Brussels yesterday. It was clear, however, that important differences remain over the degree of control which Mr De Benedetti wishes to exercise.

Britain to split up electricity industry after privatisation

BY MAX WILKINSON, RESOURCES EDITOR, IN LONDON

LORD MARSHALL, chairman of the UK Central Electricity Generating Board, was yesterday informed by the British Government that the £27bn (£46.4bn) enterprise will be broken into three when it is privatised in two to three years' time.

The plans have yet to be put formally to the Cabinet, but they have been agreed by senior ministers, including Mrs Margaret Thatcher, the Prime Minister, Mr Nigel Lawson, the Chancellor of the Exchequer, and Lord Young, the Trade Secretary.

The Board, which owns all power stations and the transmission grid south of Scotland, will be allowed to retain only about 70 per cent of power plant, including all the nuclear stations. It will be given the right and obligation to develop a nuclear power programme based on a fleet of four to five Pressurised Water Reactors to be ordered in the next 12 years.

The remaining plant will be sold off as a separate private company, intended to compete in the generation of electricity and the building of new power stations. This new company will have a generating capacity of around 12 gigawatts, equivalent to 12 large generating plants, with a replacement cost capitalization of around £10bn.

The Board will also lose ownership of the national high voltage transmission grid, which will be split off into a separate non-profit making company jointly owned by 12 area distribution companies.

The privately owned distribution companies will be the successors of the 12 area boards, which at present buy electricity from the Board at a standard but supply tariff and sell it on to consumers.

The new distribution companies will be given a major increase in power and responsibility. This will include:

- The statutory duty to keep lights burning and to meet all reasonable demands from electricity customers. This obligation will be transferred from the Board.
- The ability to build their own power stations or to form consortia to finance the building of power plant by an independent company.
- The ability to buy electricity from whoever they wish.
- Ultimate control over the transmission grid through joint ownership of the grid company. The successor to the Board may

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NICARAGUA

READY TO PAY HIGHER PRICE FOR PEACE

President Daniel Ortega hopes that liberalisation plans will pay dividends, Page 4

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EUROPEAN NEWS

Soviet economist calls for shares in state groups

BY CHARLES HODGSON IN MOSCOW

A LEADING Soviet economist yesterday called for new sources of finance to be raised to fund the country's economic reform programme...

explain how these shares would be bought and sold, but recent isolated experiments in allowing employees to buy stocks in their companies have been carried out in some parts of the Soviet Union...

suggested the country could borrow 20-30bn roubles on the international financial markets and use it to buy within the reasonable boundaries of debt.



President Stephan Krawczyk and his wife Freya Klier, pictured in West Germany yesterday, applied to leave East Germany after being told they faced sentences of between two and 12 years on the charges of treasonable contacts with the West.

Carlucci to hold talks on switching F-16s to Italy

BY DIANA SMITH IN LISBON AND TOM BURNS IN MADRID

THE US Secretary for Defence, Mr Frank Carlucci, confirmed that he will today discuss with the Italian government the possibility of transferring 72 F-16 aircraft from the Torrejon base in Spain to an Italian base.

On a brief visit to Lisbon, he also disclosed that the US has had informal talks with another unnamed country, which was not Portugal, about accepting the F-16s, which the Madrid government had ordered out of Spain within three years.

Ozal to act on Turkish lira crisis

By Jim Boggs in Ankara

THE Turkish lira firmed on the country's unregulated money markets yesterday as financiers and investors waited for a lead from the government.

The government is clearly preparing the ground for corrective measures to halt the lira's free market slide over the past fortnight. However, it strengthened to TL1.325 against the dollar yesterday afternoon...

Rome bid to comply with EC directives

BY JOHN WYLES IN ROME

THE Italian government plans to cable legislation shortly aimed at removing its long-standing and highly embarrassing status as one of the least efficient members of the European Community in applying Community directives.

The cabinet has already approved a draft "Community law" which would aim each year to secure Parliamentary approval for converting into Italian law all EC directives adopted in the previous 12 months.

Yugoslavia to cut three month deposit rate

BY ALEKSANDAR LEBL IN BELGRADE

THE THREE-MONTH deposit rate in Yugoslavia is to fall to an annualised 48 per cent this month. In January it was 108 per cent, down from 131 per cent in the last quarter of 1987.

The decline is in line with the government's policy of what it calls "real positive interest rates", although in fact rates remain a long way below the level of inflation.

Moscow plans to make rouble convertible

BY ALEXANDER LEVITSKY IN MOSCOW

THE SOVIET Union has a long-term goal, perhaps feasible in the late 1990s, of establishing a fully convertible rouble, a Soviet official said yesterday.

Mr Ivan Ivanov, deputy chairman of the state commission for foreign economic relations, told the Davos World Economic Forum: "Obviously as a big industrial power, we would prefer to have our currency freely convertible. But we have to make several steps first."

US links Polish loans to reform of economy

BY CHRISTOPHER BOBINSKI IN WARSAW

THE United States is linking the resumption of loans to Poland to economic reforms and a standby agreement with the International Monetary Fund.

Mr John Whitehead, the US under-secretary of state, said yesterday at the end of a five day visit to Poland.

Waldheim document 'private'

By Judy Dempsey in Vienna

HISTORIANS investigating the wartime activities of Mr Kurt Waldheim, the Austrian President, said yesterday a crucial document implicating him in the deportation of Yugoslav partisans was in private hands and they had no access to it.

Mr Manfred Messersmidt, the chairman of the six-man Historians' Commission set up by the Austrian government to investigate Mr Waldheim's wartime activities, has failed to find the original of the document in official archives.

Challenge to figures on Czech and East German growth

BY LESLIE COLLITT IN BERLIN

EASTERN Europe's two most industrialised economies, East Germany and Czechoslovakia, are growing more slowly than thought, according to a West Berlin think-tank.

East Germany said recently that economic growth in 1987 was 4 per cent, but an analysis published yesterday by the German Institute of Economic Research (DIW) in West Berlin said actual growth was 3.8 per cent, while the target was 4.5 per cent.

EC move to halve car pollution

By David Buchan in Brussels

THE EC Commission yesterday proposed a halving of emissions from small cars by 1992, to complete the pollution controls on large and medium size cars agreed by member states last month.

The proposal, still to be voted on by member states, would set limits of 30 grammes of carbon monoxide and eight grammes of hydrocarbons per test for small cars of less than 1.4 litre capacity. The limits would take effect in 1992 for new models and in 1993 for new models sold in bulk.

Along with the controls already agreed on medium (1.4-2 litre capacity) and large (in excess of 2 litres) cars, the latest proposal would form part of an overall package of measures to give individual member states the right to refuse to adopt the standards on their own car output, but they must accept imposition of the standards by other states.

West Germany, Denmark and the Netherlands are expected to impose the new standards on their own cars and on imports. The UK, France and Italy have dragged their feet, arguing that enough time has already been introduced to control in the lean-burn engine than the catalytic converters used in the US and Japan.

The proposed new control can be met either by catalytic converters or by lean-burn engines and would boost car prices by 4.5 per cent, according to the Committee of Common Market Automobile Constructors. The Commission sees this as meeting the consensus in their "green" fellow EC member states, they are likely to adapt to the new standards.

Reducing military tension in the Arctic maritime area north of Norway. This goes against the grain of the mainstream NATO view that the Soviet proposals are calculated to send dissonance between the Nordic NATO countries (Denmark, Norway and Iceland) and its allies.

Since 1985, on the initiative of Mr Svend Auken (since last autumn leader of the Social Democrats) fellow EC member states have been made to hear the views of the Social Democrats and the Government, so far unsuccessfully.

Meanwhile, the inability to agree on the defence budget, or on Nato policy issues, and with the pro-Nato Social Democrats leaning towards the neutralists, the country seems to be temporarily adrift. Or, as Mr Auken himself said last week: "We haven't got a foreign policy."

Brussels clears Pechiney aid

BY DAVID BUCHAN IN BRUSSELS

The European Commission yesterday cleared the FFf 7.3bn (£747m) aid given by the French government to Pechiney, provided it is not used to increase the French metals producer's industrial capacity over the next three years.

In the run-up to the French elections, the Commission might in any case be unwilling to risk the political row that a Brussels ban on the state aid would cause in France. Last week it also opened an anti-dumping investigation on calcium metal imports from the Soviet Union and China, following complaints of unfair import pricing from Pechiney.

A Commission statement said yesterday that Pechiney's FFf 27bn restructuring plan would help resolve problems in the Community aluminium industry without causing "excessive distortions" in competition.

Political developments since 1982, when the present four-party, non-Socialist minority coalition succeeded a lengthy period of Social Democratic government, have done nothing to reassure the generals. After 1985, the consensus on Nato-related policies between the main non-Socialist parties and the Social Democrats, which had existed since 1949, broke down.

Nato's commanders take a dim view of the lack of decision in Copenhagen, writes Hilary Barnes Denmark wrestles with itself over national defence

DENMARK HAS again been urged by Britain to accept a greater share of its Nato defence burden. This time by Mr George Younger, the British Secretary of Defence, during a two-day visit to Copenhagen which ended yesterday.

When the latter visited the country in 1986, he warned the Danes publicly that they could not expect British aiders to die for Denmark's sake if they themselves were not prepared to do more for their own defence. This point carried weight since the UK Mobile Force is earmarked to reinforce Denmark in a crisis.

In one important respect the Danes have acted to meet allied criticism, by ensuring better-defended reception facilities for reinforcements. This has not made them Nato's blue-eyed boys in the view of the British,

year and another Dkr400m over the following three. According to Lord Carrington, the Nato secretary-general, who was in Copenhagen last month, this increase is the absolute minimum if Denmark is to carry out its alliance obligations.

However, the opposition in Denmark, which on this issue can muster a majority and includes the pro-Nato Social Democratic Party, the small but influential pro-first Radical Party, and the neutralist Socialist People's Party, will not countenance any increase.

joined the Radicals (who generally support the Government on economic policies) and the Socialist People's Party in condemning the deployment by Nato of INF missiles (and blocked the Danish share of the Nato infrastructure budget for this project). They also opposed President Ronald Reagan's Strategic Defence Initiative in terms more categorical even than Mr Mikhail Gorbachev, and began to support the Soviet-inspired proposal for the establishment of a formalised Nordic nuclear-free zone (the Nordic countries are already de facto non-nuclear).

More recently, the Socialist parties, after a vote which the Government lost in December, called on the authorities to work for talks between the Soviet Union, the Nordic neutral nations and Nato on Mr Gorbachev's proposals for reducing military tension in the Arctic maritime area north of Norway.

Estonia crackdown

An exiled Estonian activist says Soviet police prevented a nationalist demonstration and detained two people in the Estonian city of Tartu, AP reports from Stockholm.

About 100 policemen with dogs, shields and gas masks sealed off the area where a demonstration had been planned in defiance of a ban by the authorities.

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OVERSEAS NEWS

Sudan accused of complicity in shooting

By Our Foreign Staff

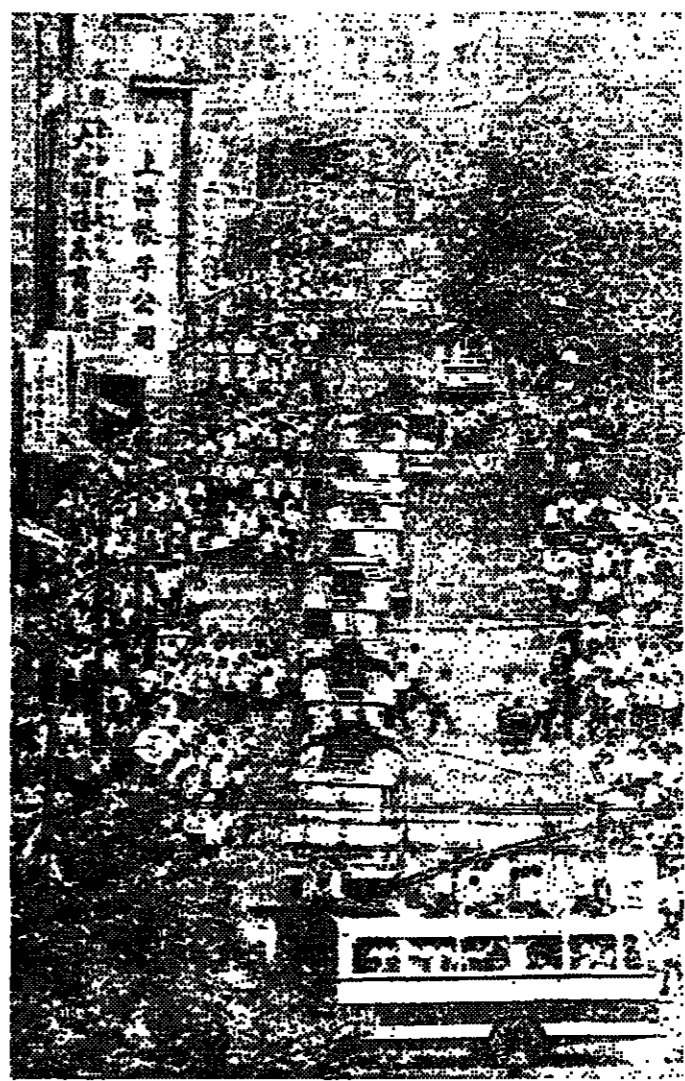
THE Sudanese Government was yesterday accused of complicity in the assassination last month of Mr. Mahdi al Hakim, the chief Islamic religious and opposition leader, who was shot by a gunman in the lobby of the Hilton Hotel in the capital, Khartoum, on January 17.

China is about to try home ownership, reports Robert Thomson Shanghai seeks first-time buyers

SPACE is a scarce resource in Shanghai where office worker, Xiao Fang, her parents and her brother have built-in intimacy in their mixed-class, two-room apartment. It has no space for her prospective husband and her brother has to share the parents' bedroom-cum-sitting room.

While Shanghai people have an average of 5 sq m of living space - some have only 2 sq m - foreign hotel construction has passed the point of no return. There is already a Sheraton, a Hilton, Nikko and Nikko, which will become more serious in coming years. Now the city has 9,000 rooms, by 1990 it will be 20,000.

There must be different views. We are educating the people. Last week the Liberation Daily had a whole page on housing reform. The housing institute has chosen a 9 ha site in downtown Shanghai as an experimental zone. While the residents have not been told, Jin and friends have decided that about half the houses in the area must be razed and, to earn needed cash, the institute wants to build an apartment complex for Chinese overseas and a shopping centre.



Crowds on Nanjing La

Fighting erupts on Thai-Laos border

THAILAND reported a fierce artillery duel between its forces and those of Communist Laos yesterday and denied that one of its jet fighters had been shot down, AP reports from Bangkok. The government's Radio Thailand said Thai ground troops retook some hills along the embattled frontier and were trying to advance under heavy artillery fire. Thai gunners, it said, were returning fire.

Israel struggles to stop Palestinian boat sailing

By Andrew Whitley in Jerusalem

THE ISRAELI government is making intensive diplomatic efforts to head off the sailing for Israel of a boatload of Palestinian deportees. A mass of international well-wishers are in the Greek port of Piraeus to support the Palestinians in their attempt to emulate the celebrated 1947 saga of the Jewish refugee ship, the Exodus.

Expectations of fresh Mid-East initiative grow

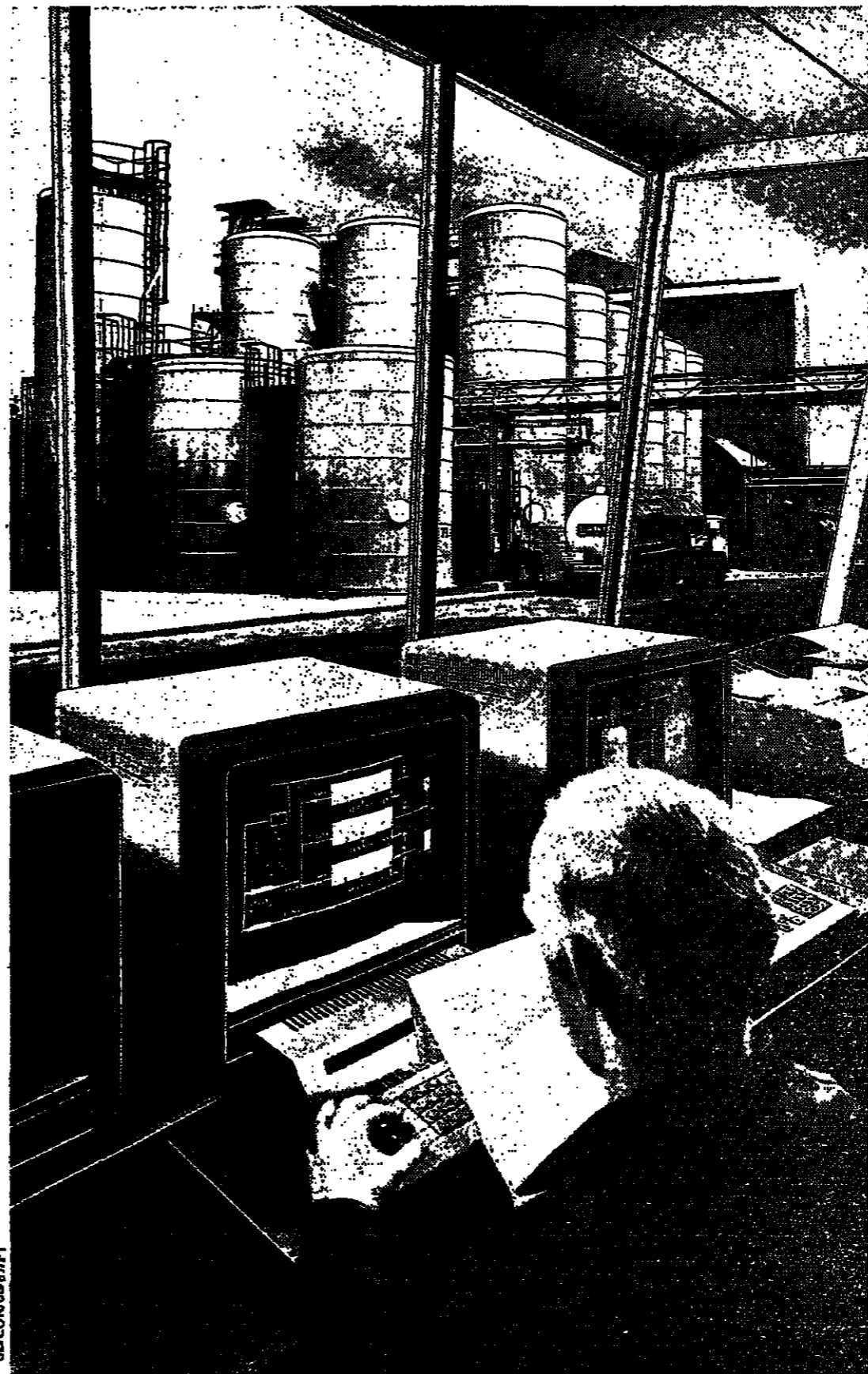
By Our Jerusalem Correspondent

A TOP Israeli official has gone to Paris on a confidential mission believed to be connected to speeded-up international moves to achieve a Middle East peace breakthrough. Provided the preliminary soundings are good, expectations are growing of the public announcement within the coming days of a new US initiative.

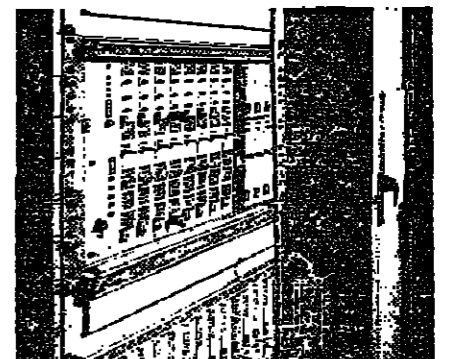
King Hussein of Jordan is also in Paris, where he held talks yesterday with President Mitterrand. In France last week, other French officials, including Prime Minister Mr Jacques Chirac, the Jordanian monarch follows close behind Egyptian President Hosni Mubarak, in France.

SIEMENS

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Moscow repeats call for Iran-Iraq ceasefire

By Charles Hoogson in Moscow

THE SOVIET UNION has repeated its call for an Iran-Iraq ceasefire in the Iran-Iraq war and again urged the establishment of a United Nations naval force to protect shipping in the Gulf. Mr Nikolai Ryzhkov, the Soviet Prime Minister, said in a message to UN Secretary General Javier Perez de Cuellar's peace mission to the region was "continuing to play a substantial, important role in efforts to put an end to the war."

S AFRICANS CELEBRATE LANDING OF DIAZ

By Anthony Robinson in Mossel Bay

WHITE South Africa yesterday celebrated the landing on South African soil 500 years ago of the great Portuguese Navigator Bartolomeo Diaz, the first European to round the Cape of Good Hope and open up a sea route to India. The mixed South African and Portuguese crew which sailed a replica 15th century caravelle from Portugal disembarked at what is today Mossel Bay in the southern Cape on a spot which, despite all Pretoria's propaganda about the abolition of "petty apartheid", is still a "whites only" beach.

Tale of whites in woolly wigs

By Anthony Robinson in Mossel Bay

South Africa is ready to sit down with Angola's Marxist government at an all-party regional conference providing Unita, the pro-Western Angolan rebel movement, also takes part, Mr P.W. Botha, the Foreign Minister said. Reuters reports from Johannesburg. Of many to suffer a similar fate. Like the aborigines in Australia, the original inhabitants of South Africa, the bushmen, Khol and Hottentot hunter-gatherers of the south and the Bantu people wandering down from the north, have mixed feelings about the arrival of Europeans. Since 1984 coloured South Africans, a category which includes imported ethnic groups like Malays and the more or less racially mixed descendants of the original indigenous peoples, have the vote and their separate house, the house of representatives, in the tri-cameral parliament. Originally Mossel Bay's large

coloured population was expected to take part in the Diaz celebrations, but that was before Rev Allan Hendrickse, the coloured Labour Party leader stormed out of the cabinet three months ago and told President P.W. Botha that he demanded repeal of the group areas act and other apartheid laws like the separate amenities act. In Mossel Bay this deterioration of white/coloured political relations was translated into the threat of a coloured boycott of the anniversary proceedings unless the city's segregated beaches, opened to all races for the week of the celebrations, were declared permanently open to all. This the white local council refused to do, which meant that when the intrepid mariners in their renaissance Portuguese cloaks and doublets, walked ashore yesterday they were met not by descendants of the Khol but by white men in woolly wigs with brown-stained faces.

AMERICAN NEWS

Doubt over US economic outlook grows

BY STEWART FLEMING, US EDITOR, IN WASHINGTON

THE uncertainty surrounding the outlook for the US economy deepened yesterday when the Commerce Department reported a surge in orders for manufacturing industry.

Brazil confesses to moratorium 'error'

BY IVO DAWNAY IN RIO DE JANEIRO

THE Brazilian Government's declaration last year of a moratorium on \$68bn of commercial bank debt interest was "the worst error that we have yet committed".

Managua prepares to pay a higher price for peace

Ortega hopes liberalisation will pay dividends, writes Peter Ford

NICARAGUA'S PRESIDENT, Mr Daniel Ortega, returned home on Tuesday from a week-long European tour, indicating that he was prepared to press ahead with Central America's peace plan even if the US Congress approved new funds for the Contras rebels.

Which ever way the vote went on President Ronald Reagan's request for \$96.5m in rebel aid, "we shall continue our peace negotiations with the Contras," he said.

Mr Ortega visited Spain, Italy, Sweden and Norway in a clear effort to counter Washington's attempt to isolate Managua diplomatically. He succeeded in persuading them to participate in an international commission to verify Central American compliance with the peace pact.

Such support for the Nicaragua revolution waned noticeably in the wake of the imposition of a state of emergency in 1985 which limited civil rights severely. The Sandinistas' recent move to democratise the country, however, in line with the peace treaty, seems to have attracted increasing interest in Europe.

Managua began liberalising its political system last year, after signing the Esquipulas peace pact, but stopped short of full compliance on the grounds that other parties to the treaty were not keeping their promises.

example, has done nothing to stop the Contras from using its territory as a base, and the US Congress, meanwhile, has continued to vote aid to the rebels. At last month's presidential summit, however, President Ortega, under heavy pressure from his colleagues, abandoned the treaty's provision for simultaneous ceasefire, finance, and decided to go it alone.

Since then, Managua has ended its state of emergency, restoring full civil liberties, allowed opposition radio stations and weekly magazines to re-open, and abolished special tribunals which tried alleged counter-revolutionaries outside the normal court system.

The Sandinistas have also promised to free all political detainees as soon as a ceasefire in the Contra war has been negotiated - or earlier if third country will take the prisoners - and have opened direct talks with the Contras for a ceasefire. The first round of those discussions last week made little progress. The two sides agreed on a "verbal ceasefire", under which they will curb their public sniping at each other, but abandoned hope of more substantial progress until a second round of talks on February 10.

The Sandinistas have appeared resigned to the likelihood that some sort of Contra aid - be it only "humanitarian" - would be forthcoming from the US.

Only a few weeks ago, Sandinista leaders were warning that any new aid would kill the peace plan immediately. "Just one cent" in Congressional funds, Mr Ortega threatened, would leave Managua "free to take all necessary measures" to defend the revolution. Those measures, he hinted, could roll back the liberalisation steps taken in recent months.

Over the past two days, however, Nicaraguan officials have backed away from such statements, refusing to predict how the Government would react. This is seen as a sign that the Sandinistas are so desperate to end the war that they are ready to persist with their flexible line.

They have many reasons to be anxious for peace. Though the Contras can never win the war, Sandinista army officers speak less often of the rebels' "strategic defeat". With US funding they could stay in the field for the foreseeable future.

The war is also causing economic problems on an unprecedented scale which, in turn, are eroding the Sandinistas' popular support.

Sarney hits back at the bishops

BY IVO DAWNAY

ATTEMPTS were being made last night to calm an extraordinary public row between President Jose Sarney and leading members of Brazil's Roman Catholic Church.

The outbreak of friction in the often tense relations between the country's temporal and spiritual authorities sprang last weekend from a letter from the National Conference of Brazilian Bishops to the country's 244 dioceses.

Entitled "The Urgency of Great Decisions," it warned that "national frustration and dissatisfaction with the Government and its political establishment had reached levels which could bring 'catastrophic consequences' for the country.

Canadian minister sacked over conduct

BY DAVID OWEN IN TORONTO

CANADIAN Prime Minister Mr Brian Mulroney this week dismissed Mr Michel Cote, Supply Services Minister, from his cabinet for breaking conflict-of-interest guidelines.

Mr Cote's infraction is believed to have involved the fact that he was negotiating a loan. He had previously served

US shadow over IADB operations

BY NANCY DUNNE IN WASHINGTON

FOUR main candidates are in the wings to take over the presidency of the Inter-American Development Bank following Mr Antonio Ortiz Mena's decision to step down from the post at the end of this month.

The successor to the 75-year-old Mr Ortiz Mena, a Mexican who has held the post for 17 years, will take on a long-running dispute between the US and other shareholders on its policy direction and funding.

The IADB's Latin borrowers have already paid for their stubborn refusal to give in to US demands for changes in the voting structure. Lending has fallen from a peak \$3.6bn in 1984 to \$2.4bn last year.

Argentine reserves 'dwindling'

BY TIM COONE IN BUENOS AIRES

ARGENTINA'S foreign exchange reserves have reached a "critical" point, said a senior central bank official.

He said yesterday that Argentina had held up debt interest payments to a series of important creditors to conserve readily available reserves unofficially estimated at less than \$500m or worth approximately one month of imports.

Bankers in New York confirmed that Argentina had delayed interest payments due since December to at least two US banks.

On February 15 the central bank has to honour payments on the 1982 series of its widely-circulating dollar-denominated bonds, or Bonex. There are \$1.875bn worth of these bonds in circulation in Argentina and abroad and the partial amortisation, together with a six-monthly interest payment, will consume around \$360m of reserves. The central bank official said "the Bonex will be paid without a doubt".

Democrats predict Reagan defeat on Contra vote

BY LIONEL BARBER IN WASHINGTON

LEADING Democrats were yesterday predicting defeat for President Reagan's effort to win Congressional approval of \$96.5m in rebel aid to the Contras.

On Tuesday night, President Reagan made a last-minute concession to win Congressional support, offering Congressmen in effect a further arms aid to the rebels.

In a speech which the three major networks refused to carry live, Mr Reagan said he would withhold further arms to the rebels if Congress declared that the Sandinista Government in Nicaragua was acting in good faith and in compliance with a regional peace plan.

Mr Reagan, who has made Contra aid a benchmark of his presidential campaign, pledged to hold lethal aid amounting to \$3.6m in escrow until March 31 to see if a ceasefire could be reached between the Contras and the Sandinistas.

US shadow over IADB operations

BY NANCY DUNNE IN WASHINGTON

prepared to accept a veto on a 40 per cent vote, meaning the US plus two other directors. Currently loans can be approved by a majority, which includes the American shareholders comprise.

The US has tied its demand to an agreement on the next IADB capital replenishment, which has consequently been stalled. Discussions for the seventh replenishment to cover 1987-90 began in early 1986 with the goal of doubling lending to \$20bn-25bn. Fast disbursing loans to enable the debtors to grow past their economic difficulties are to account for \$4bn-6bn over four years.

As Mr James Baker, the US Treasury Secretary, explained the US position at last year's annual bank meeting, the IADB would be given a significant role in resolving the debt crisis and the US would agree

The ground has been cleared for action and now the hard talking on the lessons of the crash is beginning, writes Janet Bush in Washington.

Smoke starts to rise over the battle for regulation of US markets

"WE ARE looking down the barrel, and the gun is still loaded." So concluded the testimony before the Senate Banking Committee of Mr Nicholas Brady, head of the presidential task force set up to review last October's share price collapse.

Such plain speaking introduced a jarring note to the election year ebullience and heavily stage-managed rhetoric which characterised the opening session of four days of hearings on the crash this week.

Mr Brady, whose detailed and serious analysis of the events of last October triggered cries of derision in what had seemed an increasingly complacent Wall Street last month and discomfort at the White House, was at pains to stress the seriousness of his perceptions of the post-crash world.

"Without proper safeguards, a drop of the severity and speed of October's can certainly happen again, and with even more far-reaching consequences

seemed to detect a sense of power yesterday by Mr David Ruder, chairman of the Securities and Exchange Commission. Testifying before the committee on the day after the publication of a substantial, detailed and broadly critical report by the SEC's market regulation division, Mr Ruder came down squarely on the side of tighter, statutory regulation of financial markets.

Perhaps predictably, he pushed aggressively for any overall supervisory role to be played by the SEC, at the same time as acknowledging that two of the five commissioners did not accept this recommendation.

He rejected the Brady Commission's proposal that an over-arching regulatory body which would co-ordinate supervision in all the different financial market segments should be the US Federal Reserve.

Mr Ruder said the increased linkages between financial markets suggested that inter-agency co-ordination might not be enough and that a more formal consolidation of regulation might be necessary.

It has been obvious in the months since the crash that analysis of any necessary reform had little chance of being objective and that special interests would prevail in the post-crash finger-pointing, the futures industry in Chicago has repeatedly argued its innocence as a major destabilising factor last October and blamed patchy performance by poorly-capitalised stock exchange specialists.

In turn, those trading in cash securities markets have trained their sights on complex derivative products and, in particular,

taken the process of analysis significantly further. The similarities are striking between the SEC report and that of the task force in their dissections of what happened in late October. Both give detailed analyses of how portfolio insurance activity dominated the volume during particular periods and the close correlation between this activity and the sharpest fluctuations in stock prices. Both highlight a crisis of liquidity and the imperfections of exchange technology under pressure. Both give a flavour of the sense of panic and confusion which swept through the markets.

Programme trading has heightened the risks for specialists on the floor of stock exchanges. Whereas in old-style block trading, buy and sell orders were generally matched in "upstairs" dealing rooms and specialists played a limited role in providing liquidity, their involvement with programmed block trading is substantial.

The orders arrive through the NYSE's LIST system in rapid succession. The specialist has no means to estimate when the rush will stop," the SEC report says.

nevertheless not regarded as an excuse, and the SEC strongly suggests exchanges tighten up standards for specialist performance as well as their own supervision.

proper, has in many senses supplanted its parent. The SEC says that stock index futures have become a "dominant" price level of equities more than the cash market. Further, the futures market has "become the market of choice for many institutions that trade actively."

The second and third points are that the stability of the futures market has spawned trading strategies which greatly increase the velocity and concentration of stocks trading and that these same strategies have increased risks for specialists and strained their ability to provide liquidity to the stock market.



SEC chairman David Ruder brandishes his commission's report before giving evidence to Senators yesterday.

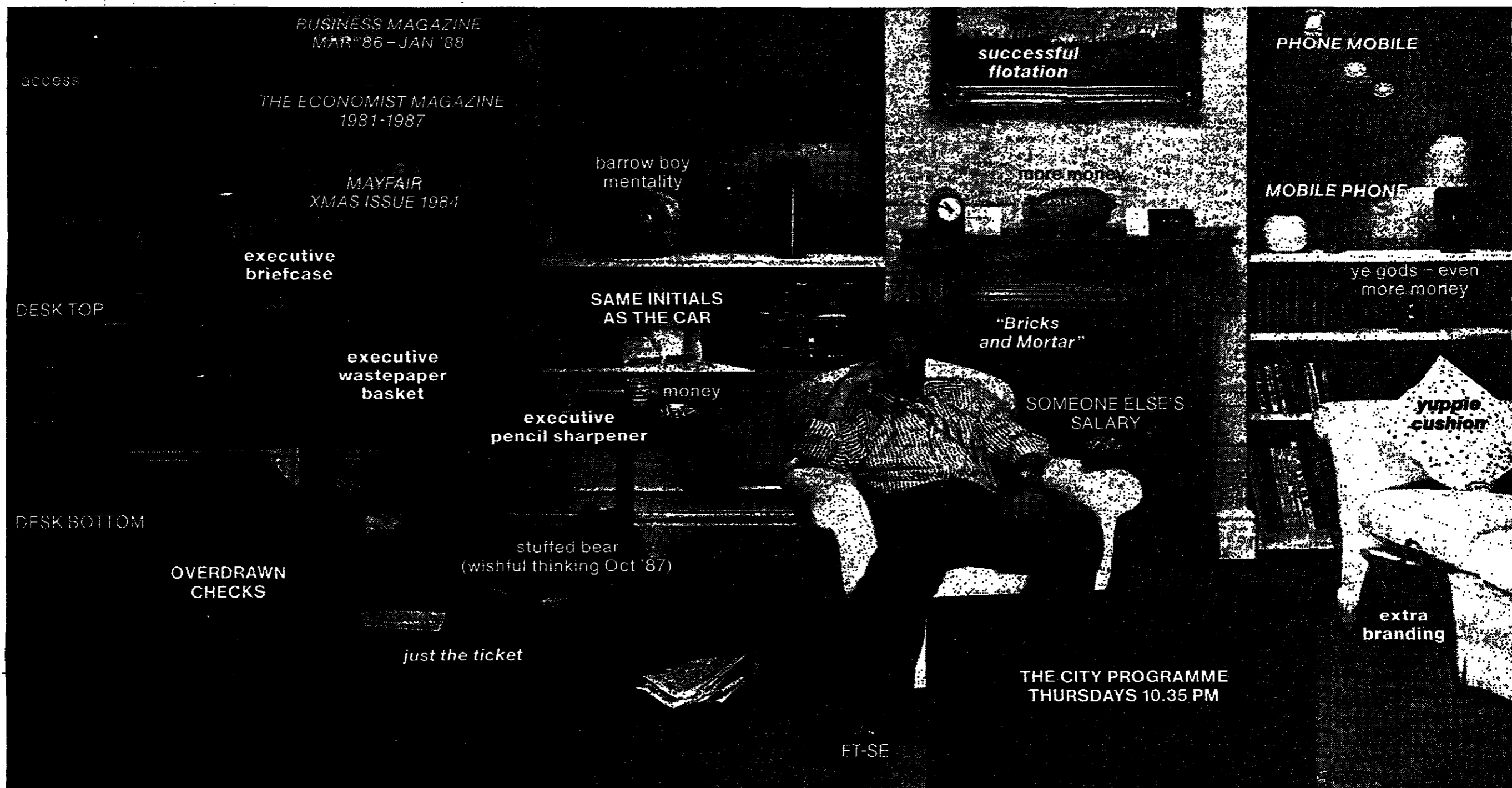
equity related products should be subject to co-ordinated "mandated" regulation.

The process of information gathering by involved groups since the crash, which culminated in this week's hearings in Washington, was kicked off by the Brady report which provided the first detailed narrative of what had actually happened in the crash.

This week's report by the SEC, invested with great authority within the industry and with the advantage of long years of expertise, has supplemented that narrative but

150

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WORLD TRADE NEWS

China officials in bid to finalise US satellite launch

CHINESE government officials are travelling to Florida next week in a bid to finalise arrangements which have recently run into difficulties for launching a US satellite on a Chinese rocket later this year...

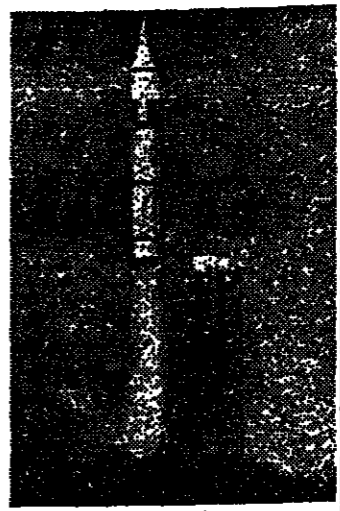
satellites on its Long March 3 rocket. So far, however, these discussions have yet to reach a point where the potential customer proceeds with definite plans for a launch.

plans. But it is believed that one of the problems for Dominion is raising the substantial sums of cash needed for the venture.

for buying a satellite but did not want to elaborate further. The meeting with the Chinese representatives, he said, was to discuss various matters related to the planned launch.

"The deal has not been consummated," Mr Henry Schwartz, Telesat's chairman, said.

A spokesman for the Great Wall Industry Corporation, the Chinese government agency responsible for satellite launches, said China was willing to sign launch contracts with companies "no matter from which country they come", as long as they had the necessary money.



EC check on Greek cement 'subsidies'

THE European Commission is to investigate complaints that the Greek Government has provided financial assistance to one of its major cement producers.

Vietnam in deal with hotel group

VIETNAM is opening up to Western tourists through an agreement with the Pullman International hotel group, owned by the Belgian Wagons-Lits sleeping car, hotel and tourism company.

PepsiCo clears Indian hurdles

PEPSICO'S three-year-old bid to sell its cola and other soft drinks in India and to export processed fruit products, with a factory in the troubled northern state of Punjab, has cleared major hurdles in the Indian Government.

Hungary may lease Boeings

HUNGARY'S national airline, Malev, becomes the first East European airline to lease Boeing 747 jumbos, in a bid to open a scheduled service to New York.

Toyota seeks partner for joint venture in Europe

TOYOTA, Japan's largest car-maker, is actively looking for a joint-venture partner for passenger car production in Europe.

Electronic trade data standards drafted

MINIMUM STANDARDS of professional behaviour for organisations engaged in trade deals involving electronic data have been drafted by the International Chamber of Commerce.

US bank wins \$7bn Greek projects order

MANUFACTURERS HANOVER, the London merchant banking arm of the US bank, has won a contract to advise the Greek government on the financing for infrastructural projects worth an estimated \$7bn (£3.5bn).

BA signs \$2bn Boeing contract

British Airways yesterday signed the long-awaited \$2bn (£1.1bn) contract with Boeing of the US for the supply of 11 twin-engined Boeing 767 jet airliners, with an option on a further 15.

US-Africa finance pact

A \$100m financing arrangement to support sales of US capital goods to buyers in four African countries was signed in London yesterday by Standard Chartered Export Finance and the US Export-Import Bank.

Advertisement for 'THE BANKER - A FINANCIAL TIMES PUBLICATION'. Includes headline 'MARX AND THE MARKETS: SHALL WE DANCE?', sub-headline 'Hungary's new push towards market disciplines is on. But how long can Marx and the market-place keep up the dance?', and a subscription form with rates and contact information.

Advertisement for AT&T. Features a large black and white photograph of a desert landscape with a cactus and a building. Text includes 'Rustle up the family. Call home.' and 'The right choice.'

Handwritten Arabic text: 'السؤال الأول'

UK NEWS

Nurses, miners and seamen shake industrial peace in Britain

Further unrest may follow day of hospital strikes

BY DAVID BRINDLE, LABOUR CORRESPONDENT

HOSPITALS in London and south-east England yesterday bore the brunt of a day of unprecedented protests by thousands of nurses and other health workers over the Government's policies on the National Health Service.



A nurse at Paddington hospital in north London joins the nationwide day of protest

The British Medical Association, which represents UK doctors, joined the row over health funding with a call for an immediate injection of an additional £1.5bn to the service.

Hospital managers said safety cover was maintained and there were no reports of patients being put at risk. However, government ministers were strongly critical of the disruption.

Mr John Moore, Social Services Secretary, said: "I utterly deplore it. There is no way in which strike action will do anything but harm patients."

As further action was threatened in the run up to next month's budget, backbench Conservative MPs continued to press the Government to defuse the tension in the health service. They urged ministers to agree in advance to fully fund the nurses' April strike.

Yesterday's protests passed off almost without incident. The exception came in central London when police prevented a 1,000-strong march entering Whitehall to protest outside Downing Street. Four arrests were made in a resulting confrontation.

Police said last night a nurse was among those arrested. The numbers involved in the protests were in dispute, but

although estimates by the Nupe and Cohse health workers' unions suggested that about 2,500 nurses were on strike in London and perhaps 6,000 nationwide.

The ASTMS white-collar union maintained that 1,400 of its health service members, including laboratory technicians, had gone on strike for the day. The biggest nurses' union, the

Royal College of Nursing, which holds an anti-strike policy, claimed fewer than 200 qualified nurses were on strike in London, although it admitted that some of its own members had walked out.

Strikes and demonstrations were particularly well supported in Bristol in the south-west, Coventry and Leicester in the Midlands and Macclesfield in the north-west.

All 1,200 miners at Frickley Colliery, South Yorkshire, went on strike for the day when a group of nurses arrived at the pit. However, there was little action in the north-east, south-west, Scotland or Wales - separate "days of action" being planned north of the border and in Wales over the next few weeks.

Mr Hector MacKenzie, Cohse general secretary and chief negotiator for all the nursing unions, said: "We have tried the other ways, of talking to this Government. We have tried to describe it as a strike when they have so painstakingly ensured against any damage to those people in their care."

The British Medical Association, which represents the UK's doctors, backed up its call for an immediate injection of cash by saying that the Government should establish a lasting link between health funding and gross domestic product, adds Alan Pike.

The association reaffirmed its belief that the Government must continue to fund the National Health Service "essentially from taxation."

Dr John Marks, chairman of the professional body, said the crisis facing the health service results from chronic underfunding. The BMA did not object to ideas for raising extra resources for health care, but they were all icing on the cake compared with an adequate basic funding level.

Meanwhile, the King's Fund Institute, an influential health care think tank, recommended in evidence to the Commons Social Services Committee yesterday that the Government should make an extra £700m available to the NHS.

Government buying agency to be sold to private sector

BY RALPH ATKINS

THE CROWN SUPPLIERS, the Government's central buying agency, is to be sold to the private sector, the Department of Environment announced yesterday.

Details of the sale have not yet been finalised but the Government intends to publish an offer document within the next few months. The sale could raise about £100m.

The agency has a staff of about 1,900 and in 1986-87 its turnover was £241m. It has responsibility for furnishing the armed forces, and also supplies the armed forces, some local authorities, British Rail, British Telecom and the Post Office.

Mr Christopher Chope, junior environment secretary, said the Government plans to introduce appropriate legislation "at an early opportunity". However, the large number of bills currently under consideration by Parliament makes it unlikely a Crown Suppliers bill will be introduced before next year.

The agency may be sold as one business or broken into parts. Its product ranges, wide customer base and the expertise of its staff is likely to make it an attractive acquisition for many companies. Already a number of bids for the agency have been received by the Government, including one which involves the organisation's staff.

Since April 1987, however, Government departments have no longer been forced to buy through purchasing agencies. This has hit the agency's sales, which in the nine months to December 1987 were 6 per cent down on the same period a year before.

Mr Chope said most of the agency's activities were of a commercial nature. "There is little doubt that they could be carried out more efficiently in

the private sector," he added. Most parts of the business would be available for sale, but some such as ministerial cars and Government safes, would remain within the Department of the Environment, Mr Chope said. In evaluating offers, particular attention would be paid to proposals for involving staff.

"I am convinced that privatisation provides the brightest future for The Crown Suppliers, as well as a continued source of competitive supplies for the public sector," said Mr Chope.

The announcement was met by fierce criticism by unions representing staff at the agency. The Council of Civil Service Unions said the decision conflicts with advice given in a Treasury report and threatened the quality of service provided to the public sector.

"This decision has nothing to do with increasing the efficiency of Government, it is just about political dogma," said Mr Charles Cochran, assistant secretary of the council.

Unions fear a sell-off would jeopardise the agency's policy of placing many orders with small businesses in depressed areas or employing disabled people. It would also restrict workers' rights to choose to work in the public sector.

The Crown Suppliers has assets valued at about £75m and is required by the Treasury to achieve a rate of return of 6 per cent on net assets employed. In 1986-87 its return was 7 per cent but is likely to have fallen, perhaps below target, this year.

The agency runs competitions for promoting British design and has been instrumental in setting safety standards. In particular it has helped develop the British Standard for fire retardancy in mattresses.

Accountants clear way for outside shareholders

BY RICHARD WATERS

BRITAIN'S largest accountancy firm has overcome its objection to outsiders taking minority stakes in accountancy firms.

This will prepare the way for the part opening up of one of the country's major professions.

But, at the same time, the Institute of Chartered Accountants in England and Wales has decided to impose extensive restrictions on shareholdings.

Outsiders will be able to own only up to 25 per cent of a firm, and all but voting rights or influence over the appointment of directors. Any single shareholding of over 5 per cent will have to be approved by a special monitoring body.

In addition, new rules will be developed governing the relationship of accountancy firms and their shareholders. These will include such issues as a ban on an accountant auditing one of its own shareholders.

Potential investors were sceptical yesterday as to whether the restrictions would make investment in an accountancy practice worthwhile. When hearing of the restrictions on shares, the chief executive of one financial services company said: "That doesn't sound like much of a share to me."

The restrictions are intended to preserve the independence of accountants' audit work. This still accounts for well over half the income of most firms, despite rapid expansion into new areas of business.

Pit closures hit 1,560 jobs

BY ANTHONY MORETON AND CHARLES LEADBEATER

BRITISH COAL is to close two of its most unprofitable pits in South Wales with the loss of 1,560 jobs. The corporation said the closures were needed to stem the coalfield's losses.

In a separate development yesterday, British Coal ended an understanding with Nacods, the pit deputies' union responsible for underground safety, which had given the union what was in effect a closed shop.

This move came after the ending of a 24-hour strike by Nacods members on Monday which brought all but two of the corporation's 102 pits in Britain to a standstill. Production worth £16m was lost. The understanding, combined with mines safety legislation, had meant that miners could not go underground without a member of Nacods in attendance.

In the long run, the corporation's move opens up the possibility that members of other unions, such as the breakaway Union of Democratic Mineworkers, or BACM, the colliery managers' union, may do deputies' work.

In South Wales 820 jobs are to go at Lady Windsor colliery, at Pontypridd, which has lost £9.5m in the last 10 months, and 645 jobs will be lost at

British Coal's losses for this financial year rose £20m on the previous year to some £300m, Sir Robert Haslam, chairman, revealed yesterday to the House of Commons energy committee.

However, Sir Robert said that rising efficiency and buoyant sales could halt losses in 1988-89 barring severe industrial unrest and a collapse in the dollar price of world coal. He blamed this year's loss on the miners' overtime ban, which cost the industry £80m.

Abernant colliery, near Swansea, which has lost £3m in the same period. The Werneck coal washery at Ammanford will shut as a result of the closures.

Mr Ron Price, area director, told mining unions that the pits had total losses of £57m since 1980.

The decision was immediately challenged by the National Union of Mineworkers, whose area officials walked out of a meeting with Mr Price.

Seamen's union faces threat of asset seizure as strikes spread

BY JOHN GAPPER, LABOUR STAFF

WIDESPREAD disruption hit British ports yesterday as the national seamen's strike spread to nearly all UK-flagged passenger ferries and freight ships and companies were advised not to try to move freight through the south coast port of Dover.

The National Union of Seamen faces the seizure of its assets in the High Court today after the two ferry companies most affected, Sealink and Peninsular & Oriental, wrote granted an early hearing of their case against the union.

The legal action against the NUS is potentially the most serious against a British trade union since the funds of the National Union of Mineworkers were sequestered during the 1984-5 miners' dispute.

The NUS has defied a judgment that the strike action constitutes secondary action without a formal ballot. It estimated that 7,000 of its members were on strike yesterday over the

sacking of 161 seafarers by the Isle of Man Steam Packet Company.

Dover Harbour Board yesterday warned freight drivers that they faced delays of up to 24 hours, and said that it would turn away drivers who were not regular customers of the port.

Police closed off a section of the M20 motorway from London to Dover to clear space for the parking of delayed lorries.

Ports all around the country were badly affected as the action spread. Peninsular & Oriental ferries at Dover, Felixstowe, and Portsmouth, also on the south coast, were hit as sailors joined the strike overnight and Sealink was relying on French-flagged ferries at Dover, Harwich and Newhaven on the south-east coast.

Union branches yesterday held a secret ballot of members already out on strike in accordance with a circular sent out

at the start of the action by Mr Sam McCluskie, general secretary of the NUS, asking them to do so.

The union denies that the action is secondary, arguing that moves by the Isle of Man Steam Packet - of which Sealink owns 42 per cent of the equity - to change working contracts of seamen are a precursor to similar initiatives by the larger ferry companies.

Sealink said yesterday that it would press for the sequestration of the union's assets at a High Court hearing today. The hearing was brought forward from tomorrow after an application by both companies yesterday.

The NUS said that the only two UK-flagged ferries still operating yesterday were out of port and would be affected by the strike as soon as they returned. It said that it intended to continue with the action.

Redemption Notice Electricity Supply Commission (South Africa)

9 1/4% Guaranteed Sinking Fund Debentures Due 1989

NOTICE IS HEREBY GIVEN, pursuant to the Fiscal Agency Agreement dated as of March 1, 1974 under which the above described Bonds were issued, that the following Bonds have been selected for redemption on March 1, 1988 \$1,500,000 principal amount of said Bonds at the redemption price of 100% of the principal amount thereof, together with accrued interest to March 1, 1988. The serial numbers of the Bonds selected for redemption are as follows:

Table with columns for Bond Numbers and corresponding serial numbers. The table lists numerous bond numbers and their corresponding serial numbers for redemption.

On March 1, 1988 there will become due and payable upon each Bond selected for redemption the said redemption price, together with interest accrued to March 1, 1988, all as more fully provided in the Bond. Payment of the redemption price of the Bonds to be redeemed will be made in such coin or currency of the United States of America as at the time of payment is legal tender for the payment therein of public and private debts, upon presentation and surrender of said Bonds with all coupons appertaining thereto maturing after March 1, 1988, at the following addresses:

By Mail: Citibank, N.A. Municipal Securities Processing Area, 111 Wall Street, SORT 3685 New York, New York 10043

By Hand: Citibank, N.A. Municipal Securities Processing Area, 65 Beaver Street - 17th Floor New York, New York 10043

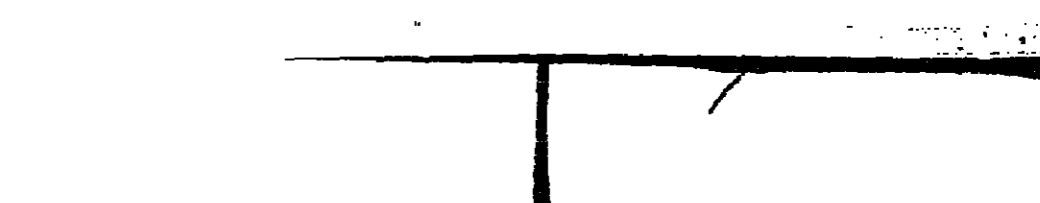
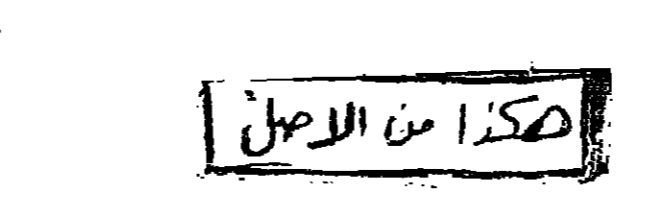
Payment of the Bonds (subject to applicable laws and regulations) will also be made at the offices of Citibank, N.A., in Amsterdam, Brussels, Frankfurt/Main, London, Paris, Luxembourg and at Kredietbank, S.A., Luxembourg. Payment may also be made by check on a dollar account, or by a transfer to a dollar account maintained by the payee with a bank in New York City.

On and after March 1, 1988, the date fixed for redemption, interest on said Bonds will cease to accrue. Coupons maturing on or prior to March 1, 1988 should be detached from said Bonds and presented for payment in the usual manner.

Withholding of 20% of gross redemption proceeds of any payment made within the United States may be required by the Interest and Dividend Tax Compliance Act of 1983 unless the Fiscal Agent has the correct taxpayer identification number (social security or employer identification number) or Exemption Certificate of the payee. Please furnish a properly completed Form W-9 or Exemption Certificate or equivalent when presenting your certificates.

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WHERE THE EDI COMMUNITY MEETS. The Hague, Holland Congress Centre 29th February - 2nd March 1988. Computer Aided Trade COMPAT 88. Practical EDI demonstrations, workshops and exhibitions at the Conference where the EDI revolution in Europe began.



Leading insurer to pull out of Massachusetts

BY NICK BUNKER

GENERAL ACCIDENT, the composite British insurer, has become the latest company to withdraw from Massachusetts because of severe motor insurance losses in the US state.

Mr Nelson Robertson, general manager, said the company had seen its pre-tax losses there grow from \$8m in 1984 to \$13m in 1986. It faced a possible total pre-tax loss of between \$100m and \$150m over the next five years.

General Accident said the chief adverse factor was the attitude of the state's insurance commissioner, who tightly controlled motor premium rate increases. Business in the state makes up about 5 per cent of the group's US insurance premiums.

Massachusetts has a reputation in the industry for being among the most heavily-regulated states in the US, having particularly close regulation of "personal lines" such as motor and homeowners' insurance.

Insurers' problems are regarded more acute because Massachusetts requires insurers to accept everybody who applies for motor insurance, no matter how bad a risk they are.

Higher risk drivers are then reinsured with Commonwealth Automobile Reinsurers (CAR), a state-run facility funded by each insurance company in proportion to its local market share.

Last summer Fireman's Fund, a big US insurer, became the first company to pull out of the state, and another company, Kemper Group, has been trying to leave by setting up a new mutual company to take on its

business there.

Mr Robertson said most of General Accident's losses there arose from its share of the CAR. "We have been asking for premium rate increases of 30 per cent and the commissioner has been allowing us only 8 per cent," he added.

A senior executive with a big US insurer said he thought General Accident's decision to pull out might have been precipitated by a meeting last Wednesday between leading insurance companies and Mr Michael Dukakis, the state's Democratic governor, who reportedly showed the strength of insurers' hostility to the present regulatory regime.

General Accident will still have to negotiate withdrawal terms which may include a payment to cover its remaining liability to help fund the CAR.

Mr Robertson said, however, that since General Accident's market share was less than Fireman's Fund's, the payment should be substantially smaller than the \$45m which Fireman's Fund had to agree to pay.

General Accident's share price closed unchanged at 838p in London last night. But its highest risk drivers are then reinsured with Commonwealth Automobile Reinsurers (CAR), a state-run facility funded by each insurance company in proportion to its local market share.

Last summer Fireman's Fund, a big US insurer, became the first company to pull out of the state, and another company, Kemper Group, has been trying to leave by setting up a new mutual company to take on its

financial pressure."

Mr Tony Wyand, GU's general manager (Finance and Investments) said: "Since Massachusetts is the state where we are domiciled in the US, withdrawal is an option we could only take under the strongest financial pressure."

Security consultant checked on staff

FINANCIAL TIMES REPORTER

A SECURITY consultant accused of ordering the illegal bugging of his former boss's home has been told a court yesterday how he was hired by Dixons, the electrical retailer, to obtain information about former employees of the group.

But he denied that he had ever broken the law.

Mr Michael Anderson, 42, a former policeman who ran Cornhill Management Consultants, has pleaded not guilty at Luton Crown Court to conspiring to intercept telephone calls between July 1, 1986 and November 15, 1986.

He said that after Dixons failed to take over Woolworth Holdings in July 1986 he was told by Mr Neville Canebrook, security manager at Dixons, that four or five staff had left Dixons to join Woolworth Holdings subsidiary, Comet.

"Dixons had a major problem in September 1986," he told the

Jury. "There was a leak of very, very confidential information. Attempts were made to trace the leakage, which were causing all kinds of disruption and were affecting the morale of senior staff."

"Business secrets like the buying prices of new products and their availability were being leaked."

He said his employees spied on the staff who had left for Comet and kept a watch on their home addresses.

The jury has been told that two men hired by Mr Anderson, Mr Terry Rowe, 42, and Mr Terrence Franklin Rowe, 42, have pleaded guilty to the same charge. The allegations of industrial espionage came after a listening bug was found connected to the telephone line of Mr Peter Hopper, a director of Comet.

The case continues.

Biotechnology company wins US investment

BY DAVID FERLOCK, SCIENCE EDITOR

TWO BIG US pharmaceutical groups, Johnson and Johnson and SmithKline Beckman, have invested in British biotechnology, one of the latest biotechnology research companies.

British Biotechnology was set up in 1986 with backing of \$3.5m from investors in the City of London and the US to carry out research on a second generation of genetically engineered health care products.

It has completed a second stage private equity placement of \$8m, involving 10 fresh investors and its four previous investors. The new UK investors include Prudential Insurance.

British Biotechnology said interest in its shares was so high that it asked some investors to scale down their offers to accommodate others.

Of the \$8m raised, \$3m has come from its initial four investors: Biotechnology Investments, the N.M. Rothschild fund, Abingworth, Newmarket Venture Capital and SR One (SmithKline Beckman).

All four have revalued at £2 a share, compared with the initial price of £1 a share.

Dr Brian Richards, chairman, said the company now had enough funds to continue development through this year and next. But it would need to expand its capital base substantially over the next five years to bring clinical products to the market.

British Biotechnology said last month that SmithKline Beckman would be distributing its "designer genes," synthesised to order in its laboratories at Cowley, near Oxford.

POLITICIANS ANGRY AT DECISION NOT TO REVIEW STATUS AS CHARITY

Government drops 'Moonies' case

BY TOM LYWCH

ANGRY members of Parliament from both the Government and opposition yesterday demanded changes in the law governing charities after Sir Patrick Mayhew, the Attorney General, said the Government is to abandon High Court action against a refusal by the Charity Commissioners to end the charitable status of the Unification Church - the "Moonies."

Sir Patrick said the Government had been right to start proceedings in 1984 to have two Unification Church Trusts removed from the Register of Charities, as the evidence then available justified the expectation that the appeal would be allowed. Inclusion on the register affords a wide variety of tax concessions on the 250,000

organisations listed and for their sponsors.

Some evidence in the Unification Church case had proved unreliable, however, and Sir Patrick said he had been advised that the evidence available was unlikely to be sufficient to dislodge the very strong presumption in law that religious organisations should be given charitable status.

The Attorney General said the Government was abandoning the case to save a possible six-month hearing with heavy legal bills and which had little prospect of success.

Conservative Party member Mr David Wilshire described the statement as "outrageous" and asked whether it was connected with the murder in the southern county of Devon of a

woman "who was to be a key witness." He said other potential witnesses had been intimidated.

Sir Patrick said there was no evidence of intimidation, and that the inquest on the woman stood adjourned.

From the opposition Labour Party, Mr John Fraser said he could understand the frustration faced by many deserving causes as they underwent the slow and cumbersome procedure of becoming registered charities when they compared their own position to that of the Moonies.

"The essence of the law is that a religious charity should direct itself to the benefit of the public and not positive harm and right-wing political activity, which has taken in a

few Tory MPs," said Mr Fraser. He called for an urgent review of charity law "to put an end to the rampant abuse by the Unification Church."

Mr Tom Sackville, Conservative MP, said the decision would be greeted with "grave disappointment." He accused the Moonies of ruining people's lives and destroying families. "It is time we stopped giving charitable status to such vile organisations."

Sir Patrick said he was aware that many people would be disappointed by his decision, but insisted that he was acting on behalf of the Crown in its role as the protector of charities and that the content of his statement was dictated by matters of law.

Lower-paid workers fall behind as wage gap widens

BY PHILIP STEPHENS, ECONOMICS CORRESPONDENT

A SHARP widening in the distribution of income among Britain's workforce since 1979 was underlined yesterday.

Figures published by the Department of Employment, show a steep and progressive increase in the ratio of earnings of well-paid workers to the low-paid in the seven years to 1986, reversing the trend seen in the 1970s.

Drawing on evidence from the recent New Earnings Survey, an article in the monthly Employment Gazette says that the widening of the incomes gap reflects three factors.

Highly paid workers sought to recover from a relative decline in earnings under successive incomes policies suffered during the 1970s.

Towards the other end of the scale, those employed in construction and mining and in painting and assembling received increases of only 3 per cent.

Rises in service industries such as catering and cleaning averaged around 8 per cent.

Separately, the report shows that the trend towards more rapid growth in earnings of female workers has continued since 1979, a shift reinforced by Equal Pay Acts and by the increased participation of women in the labour force.

Professionals in management and administration received real increases of nearly 50 per cent in the same period, while other managerial employees saw their incomes rise by more than 20 per cent.

The sharp rise in unemployment at the start of the 1980s hit workers in the manufacturing and construction sectors disproportionately hard, changing the structure of income distribution.

There has been a shift in the balance of employment towards the top of income distribution. The analysis seeks to emphasise that the low-paid have not suffered an absolute fall in incomes and says that some groups at the bottom end of the income scale have seen rela-

Steel agrees date for leadership issue

BY MICHAEL CASSELL, POLITICAL CORRESPONDENT

MR DAVID STEEL, the Liberal leader, has agreed not to make any announcement about his political future until early May.

Earlier this week, Liberal and SDP Members of Parliament supporting the creation of the Social and Liberal Democratic party agreed that none of them intending to stand for the leadership of the new party would declare themselves until after

the results of the May local government elections.

It emerged yesterday that the agreement also includes Mr Steel, who said immediately after the Liberal conference vote in favour of merger 10 days ago that he would make his own position clear as soon as the membership ballot result was known on March 3.

The statement will end immediate speculation about Mr

Steel's future and allow the respective party leaderships to concentrate on arrangements for launching the new party.

A July leadership election looks increasingly likely, although an autumn contest has not yet been ruled out. The timetable will become clearer once the new party's interim federal executive has been established.

If both party memberships

vote in favour of the merger, the new party will come into existence on March 7 and an official launch will take place shortly afterwards. Plans for a follow-up rally in Central Hall, Westminster, on March 19 have also been set in motion.

The 17 Liberal and two pro-merger SDP MPs will then join together in the House of Commons.

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226	0 Am. Brk. Int. Ordway	187	-1	8.9
207	145 Am. Brk. Int. CULS	189	-1	10.0
41	25 Avantage and Finco	27	0	...
142	40 BBS Hedge Corp (HS&M)	94	-1	2.1
128	108 British Group	126	0	2.7
116	35 Bux Technology	147	0	4.7
281	130 CCL Group Ordway	250nd	0	11.5
147	99 CCL Group 12% Conv. Pref	128	0	15.1
171	130 Cambridge Ordway	123	0	3.6
104	61 Cambridge 7.5% Pref	101	0	10.7
130	87 George Star	124nd	0	3.7
143	48 Ibs Group	88	0	...
128	59 Jackson Group	92nd	-1	3.4
280	300 Middlesex NV (HS&M)	235	0	7.5
48	35 Mount Holdings (HS&M)	57	0	2.7
118	83 Mount (High 10% Pref) (HS&M)	112	0	14.1
71	30 Robert Jenkin	30	0	...
124	30 Revolution	124nd	0	3.8
224	67 Tovey & Child	226	0	4.6
71	62 Trade Holdings (HS&M)	61	-2	2.7
131	41 Unifac Holdings (HS&M)	61	-1	2.8
264	118 Wally Alexander	260	0	5.9
220	148 W.S. Hayes	228	0	17.4
170	62 Winc York Int. Insp. (HS&M)	177	0	4.3

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MANAGEMENT: Marketing and Advertising

IT WAS ONE of the smartest events Australia has ever seen. On Sunday evening the Australian Wool Corporation cotillioned the Sydney Opera House to stage a fashion spectacular featuring nine of the world's best known designers.

To the Sydney social set, who scrambled for tickets on the black market, it offered a rare opportunity to see the work of international designers on home ground. To the AWC it represented the culmination of three years' hard work and an investment of A\$3.5m.

The Australian media, which had trumpeted the show weeks in advance, hailed it as a triumph. But will it succeed in its real objective of selling more wool?

It was in the closing months of 1984 that the corporation began to consider how it could celebrate the Australian bicentennial. Wool production - or growing, as it is called - is not only the oldest industries in Australia, but is still one of the biggest.

The first Merino sheep - 26 of them - arrived in Australia just nine years after colonisation. In the 1800s and 1900s the spread of sheep farming opened up vast tracts of the continent for settlement. Today, there are more than 166m sheep on 100,000 farms across Australia. The 70,000 wool growers will provide 70 per cent of the world's apparel wool and 3 per cent of Australia's GDP this year. Moreover, wool should outpace the country's biggest export earner in 1988 with more than A\$6bn of overseas sales or 12 per cent of exports.

"There was no doubt," says David Astimus, chairman of the AWC and the International Wool Secretariat, "that we had to do something to celebrate the bicentennial. The question was what?"

Suggestions flowed in thick and fast from the wool growers. "At least half a dozen towns claimed to be the wool growing centres of Australia," recalls Vincent Matthews, the head of communications at the AWC who organised the event. "We had requests for everything from wool museums to gilded statues of sheep."

The AWC rejected the museums and the statues in favour of staging a celebratory event, which could be attended by as many of its members as possible. Given that it had decided to host such an event it determined to make it pay, by working it into its marketing strategy.

And given that almost all - 97 per cent - of Australian wool is sold overseas, it was apparent from an early stage that it should be international in flavour.

In February 1985, Matthews went before the AWC board to present his proposals for an international fashion show to mark the bicentennial. The cost, or so he thought, would be about half a million Australian dollars. Nearly three years and an extra A\$3m later, his plans have come to fruition.

Last Sunday nine international designers - Bruce Oldfield and Jean Muir, from London; Claud Montana,

Australian wool industry

Hard sell for the golden fleece

Alice Rawsthorn on a promotional extravaganza

Kenzo and Sonia Rykiel from Paris; Donna Karan and Oscar de la Renta from New York; the Missons and Gianni Versace from Milan together with six of the best known Australian designers - presented the Bicentennial Wool Collection at the Opera House in Sydney.

The designers' brief was to devise a collection of clothes made in wool to an Australian theme.

The event was attended by 1,800 people. Half were wool growers; the rest were industrialists - involved with textile manufacturing and fashion retailing - and journalists from all over the world.

The staging of the show - choreographed by Ric Birch, the Australian who designed the Los Angeles Olympic Games - cost A\$2m. The dress rehearsal on the preceding Saturday was attended by 1,400 people including two "stand-ins" for the guests of honour, the Prince and Princess of Wales.

What did the event achieve? The AWC's objectives were twofold: to enhance the position of the wool industry within Australia; and to augment its marketing strategy in the international arena.

On the domestic front, the need to draw attention to wool's role within the Australian economy was vital. "In Australia there is so much enthusiasm about diversifying exports and developing growth industries," says Astimus. "There is a danger that traditional industries like wool will be overlooked."

The bicentennial collection, and the fuss and furor it created in the Australian media, was a way of focusing the Government's thought on the industry. "It cannot have escaped their attention that wool is the only industry to have marked the bicentennial in such a way," as Astimus puts it.

For the AWC the timing of the event was particularly pertinent given that the Government has just completed a review of whether or not to continue its contribution to the industry's promotional budget. It was critical for the industry to be seen to be making a splash at such a time.

Yet the chief purpose was to augment the AWC and FWS marketing strategy overseas. For more than a

decade the over-riding objective of this strategy has been to position wool as a premium fibre with higher perceived value than its synthetic competitors.

In the 1960s, when the new synthetic fibres were seized upon as modern miracles, demand for wool declined dramatically.

The wool industry has since invested heavily in marketing new products development and technical advances. This investment, helped by the cultural trend towards the natural and the authentic, paid off. Demand for wool has increased steadily since the mid-1970s.

At present the market perception

of wool is critical. The wool price has risen rapidly in the past year or so. Increased demand from established markets like Europe and the US combined with the emergence of China as a new market and a resurgence of interest from Japan has fuelled a 60 per cent rise in the wool price over the past 12 months.

The production of wool has increased to meet this extra demand. Output of Australian wool alone has grown from 700m to 850m kg since the early 1980s.

Moreover, the AWC has taken action to prevent the market from "overheating" by releasing its reserves of wool to dampen down demand. The reserves are now at their lowest point since 1974 - 60,000 bales compared with 1.6m six years ago - yet the wool price, which stabilised in the closing months of last year, is still rising.

The AWC is concerned that the price increase may prompt wool users to reduce their usage by substituting the natural fibre for synthetics or blends. Once they turn to a different fibre it is notoriously difficult to persuade users to change back again. Given that, in the worst scenario, the problems posed by dwindling demand could be compounded by a slump in consumer expenditure, the consequences for the wool industry could be disastrous.

The only solution for the AWC lies in marketing and in persuading users to stick to wool as a premium fibre. Hence the staging of a fashion show for which designers like Claud Montana and Donna Karan devise special collections in wool, forms a logical part of its overall marketing strategy.

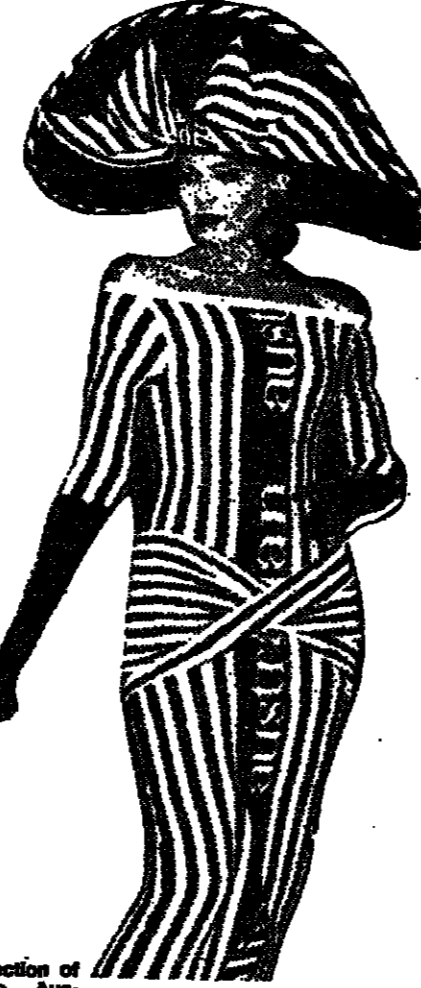
This message was delivered directly to the group of industrialists - emboldened by the success of Bloomingdale and Bergdorf Goodman of the US as well as textile concerns such as UK-based Dawson International and Coates Patons - which were invited to attend the show.

Yet the most tangible benefit of the event, in marketing terms, lay in the amount of publicity generated. In Australia the show was billed as the fashion event of the year - or of the last 200 years, as one paper put it - with endless previews and reviews, a special supplement in Vogue Australia and three and a half hours of live television coverage. Matthews assesses the value of Australian television involvement alone at A\$5m.

Overseas the event was televised live in Hong Kong and Taiwan, both important centres of textile production. The recorded show will be carried by cable TV in Europe and will be shown in the US and China.

Similarly the Bicentennial Wool Collection has been featured in Vogue magazine all over the world and in a host of other newspapers and magazines from the Chicago Economic Daily to Le Figaro in France and Asahi in Japan.

Astimus calculates the eventual "value" of the full media coverage at between A\$20m and A\$25m. "Which means," he says, "that we have covered our costs many times over."



The designers' brief was to devise a collection of clothes made in wool to an Australian theme - Australian designer Wendy Heather did just that

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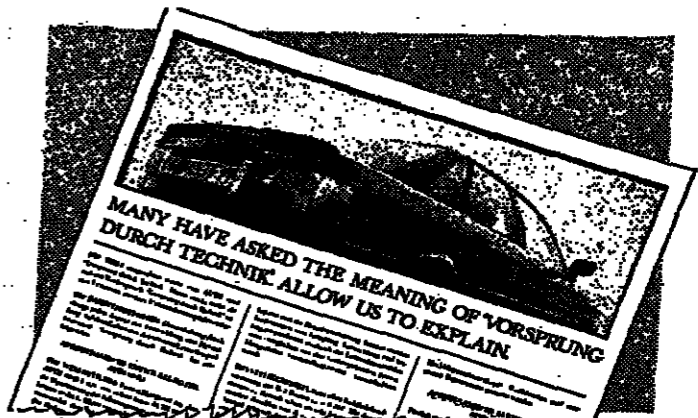
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Selling cars can be a joke

Philip Rawstone explains why different approaches are necessary to entice British and German buyers



FOR THE PAST 15 years, Hungarian-born John Meszaros has been perfecting the art of selling West German cars to the British - which is quite different from selling to Germans.

Meszaros, UK sales manager for Audi/Volkswagen, illustrates one difference between Munich and Manchester with a story about the German VW dealers' conference at which it was announced that the latest model had been increased from 135 to 137. "They stood and applauded," he relates incredulously. "British dealers would barely have noticed..."

It is to this native interest in engineering efficiency and reliability that German car advertising pitches its main, master-of-fact appeal. A magazine advertisement for Audi is headlined: "Leader in the medium car sector". Below it the massed type gives a straight product description - "an edited brochure", in Meszaros's words.

Most company advertising in Germany is through the press and magazines. Television advertising is still "almost an after-thought", says Meszaros. It is rudimentary. The ads come in a couple of big indigestible chunks during the evening.

Meszaros suggests that the apparent preoccupation with torque and tappets may also be due, in part, to the fact that the company car is still a rare perk in Germany. "Nearly everybody has to buy their own car, making individual decisions about everything from price to performance."

"For many motorists in Britain, the technical questions are decided by whoever controls the company car budget. The only decision for the driver is: "Which of the cars on offer would I look best in?"

German buyers, says Meszaros, are more rational. In

Britain, car buying is a more emotional activity. "So our appeal not only to the head, but to the heart."

Volkswagen must protect its "core values" - reliability, durability, longevity. It has, after all, spent £20-£30m on advertising to establish them over the past decade.

"But," Meszaros says, "people now take it for granted that their cars will start in the morning. You have got to relate those core values to other aspects of life... let them wash across other issues."

From that came the basic line - "If only everything in life was as reliable as a Volkswagen."

The way that message has been put across in Britain would not have been possible in Germany, Meszaros suggests. "In Britain we are living with a television generation whose visual literacy - if you see what I mean - is incredible."

"If you look at the old TV ads, every i had to be dotted, every t crossed. Today you can leave great gaps and assume the viewer will fill them in. You can tell a story in 60 seconds."

Meszaros delights in the Volkswagen ad in which the young woman discards her ring, her jewelled brooch, her fur coat, but keeps her car, patting its steering wheel with satisfaction and affection. This, he says, is "romancing the brand."

Television allows him to project an image in the British market which can then be given added substance by press advertising.

Humour is an important ingredient of the advertising mix for British markets. "The average Englishman basically believes that not too many Germans have a sense of humour, but that they do make things well," Meszaros says.

Doyle Dane Bernbach has been VW's advertising agency since the mid-1960s. It is as thoroughly steeped in the corporate culture as is Meszaros, who joined the company after fleeing Hungary in 1956. The teamwork, says Meszaros, is helped by the fact that campaigns have to be approved by only two directors.

When Bartle Bogle Hegarty took over the Audi account in 1982, research showed that the car was not widely recognised as German. The first priority, therefore, was to establish its identity - an important advantage at the upper end of the market to which Audi aspired.

So began the campaign built around the Audi company's motto, Vorseprung durch Technik - which creative director, John Hegarty, spotted above the factory gate.

"I don't think slogans work as a rule in advertising," says Meszaros. "But this one has done. We needed a flag to stick on the car, saying I'm German. That phrase, in actor Geoffrey Palmer's English accent and slightly ironic tone has done it."

"It would not have worked in translation - 'Advance through Technology', he grimaces. "Nor if it had been spoken in perfect German."

Subsequent ads have played humorously on the slogan - now much better known in Britain than Germany - to build on the image of technical excellence.

Gentle caricatures of the car's German engineers have given it a likeable personality. "As the needle touched 201.6km/h the loudest thing in the Audi 100 was Herr Beck's suit."

Competition in the car market now turns on making the most of little edges of advantage, Meszaros says. "If you can have a joke and a smile while you do it, so much the better."

The Ogilvy Group

1987 Results.

Healthy Fourth Quarter rounds off year of substantial growth.

The Ogilvy Group, Inc. (NASDAQ/LSE - OGIL), the worldwide advertising agency and marketing services group, reports that earnings for the fourth quarter ended December 31, 1987 increased 17.7 percent to \$14,479,000 or \$9.99 per share, from \$12,297,000 or \$8.87 per share in 1986. Fourth quarter commission and fee income increased 30.3 percent to \$219,577,000 from \$168,507,000 in 1986.

For the year ended December 31, 1987, net income increased 10.2 percent to \$29,757,000 from \$26,995,000 in 1986. Per share earnings increased 6.3 percent to \$2.02 from \$1.90 per share in 1986. Commission and fee income for the year increased 31.8 percent to \$738,508,000 from \$560,132,000 in 1986, and operating profit increased 21.3 percent to \$57,933,000 from \$47,764,000 in 1986. In addition, reductions in the fourth quarter effective tax rate to 41 percent reduced the full year's tax rate to 47 percent.

William E. Phillips, Chairman-CEO, commented "We are satisfied with our results, which were in line with our targets. They were achieved despite a difficult environment. 1988 looks strong. And, our recent investments in new services will provide significant client and shareholder benefits in the near term as well."

The Ogilvy Group, Inc. Consolidated Statement of Income (in thousands of US dollars except per share figures)

	1987(B)	1986(A)	Percentage Increase (Decrease)
Quarter ended December 31, 1987 (Unaudited)			
Commission & Fee Income	\$219,577	\$168,507	30.3
Total Operating Expenses	194,338	145,914	33.2
Operating Profit	25,239	22,593	11.7
Income before Taxes	26,600	26,815	(0.8)
Taxes on Income	10,823	13,417	(19.5)
Net Income	\$14,479	\$12,297	17.7
Earnings per Common and Common Equivalent Share	\$9.99	\$8.87	13.8
Dividends Paid	\$5.21	\$3.20	5.0
Year ended December 31, 1987 (Unaudited)			
Commission & Fee Income	\$738,508	\$560,132	31.8
Total Operating Expenses	680,575	512,368	32.8
Operating Profit	57,933	47,764	21.3
Income before Taxes	60,499	58,709	3.0
Taxes on Income	28,583	30,974	(7.7)
Net Income	\$29,757	\$26,995	10.2
Earnings per Common and Common Equivalent Share	\$2.02	\$1.90	6.3
Dividends Paid	\$8.84	\$5.80	5.0

(A) Restated to conform with 1987 presentation.
(B) Includes the results of Dawson Centre Inc. and Thomson-Lewis Company, Inc. which were acquired in August and October 1987, respectively, and are accounted for as purchases of interests.

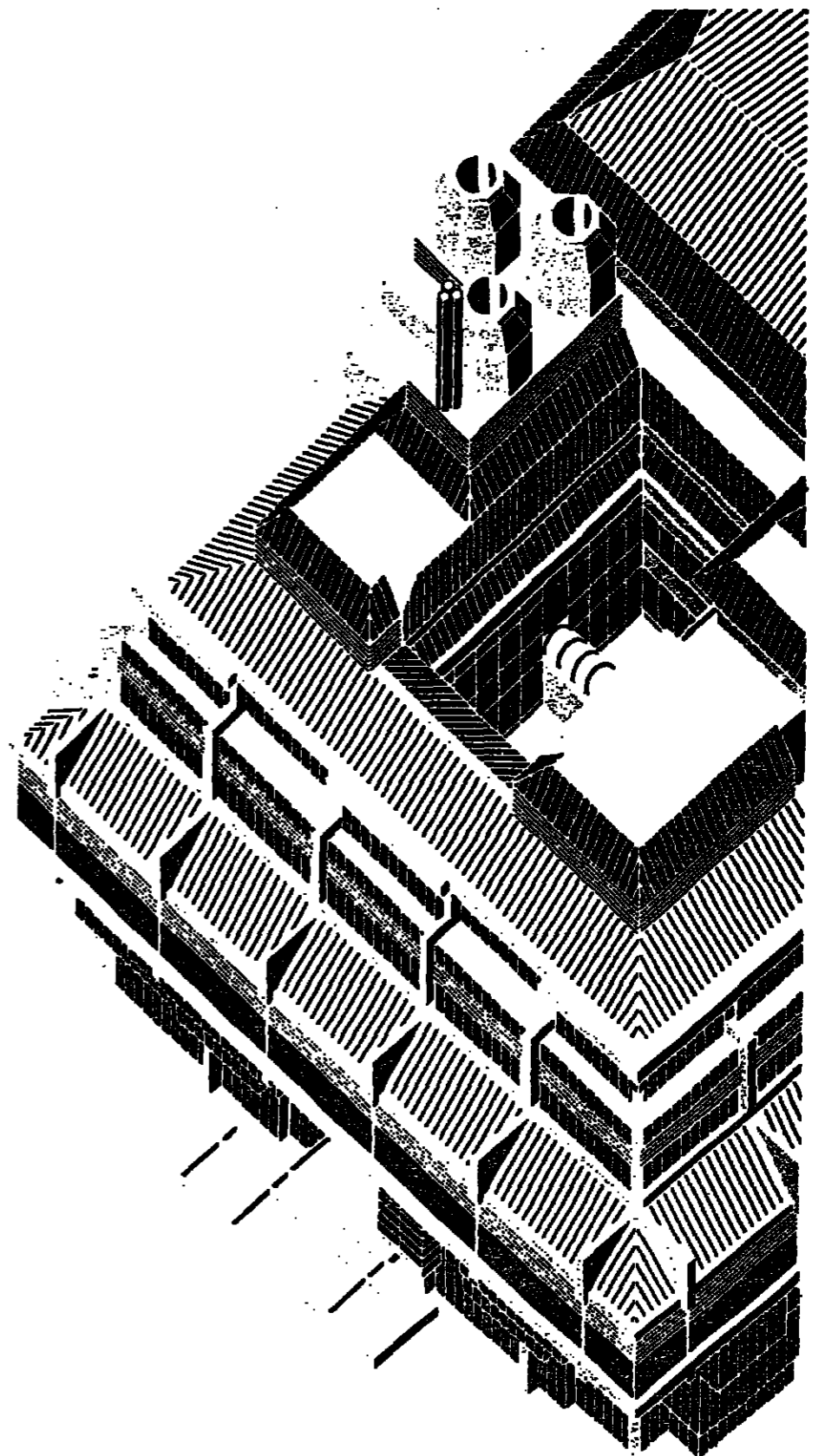


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TECHNOLOGY

IBM widens employment opportunities for the blind

BY LOUISE KEHOE IN SAN FRANCISCO

IN A significant step toward improving employment opportunities for blind and visually impaired people, IBM last week introduced in the US a "screen reader" that provides a spoken version of the text or data appearing on a personal computer screen.

Designed to adapt IBM's Personal System/2 computers to the needs of blind users, the IBM PS/2 Screen Reader is the first of what IBM says will become a series of "independence" products for the disabled.

The screen reader is controlled by a specially designed keypad, separate from the personal computer keyboard, which can be used to instruct the system to read sections or all of the information on the screen. Text can be read letter by letter, word by word, or in paragraphs. The pace and pitch of the readout can also be varied as needed.

Use of the keypad separates the control of the screen reader from the application-related commands performed on the regular keyboard. A special feature of the system, called "autospeak" enables a user to direct the Screen Reader to monitor up to 20 areas of the display on the screen and read aloud changes as they occur.

The system was developed over a four year period, being tested and refined with the assistance of 70 blind or visually impaired IBM employees with jobs ranging from executives to system programmers, secretaries to clerical workers.

Recently, IBM has provided test systems to outside companies and agencies in the US. These have used the system in applications such as catalogue sales and credit application processing.

Enquiries concerning the Screen Reader may be directed to local IBM sales offices or to IBM's National Support Center for Persons with Disabilities, in Atlanta, Georgia. The centre demonstrates and provides information on IBM and non-IBM equipment, along with services available for persons with a range of disabilities including those who are sight, hearing or mobility impaired. (In the US call 800-IBM-2133, from outside the US call 404-988-2733).

Getting a better grip on road safety

BY CLIVE COOKSON

THE UK Department of Transport is introducing a new standard to make the surface of main roads more resistant to skidding. It says this could prevent up to 1,300 casualties a year.

The standard is based on investigations of road surfaces by the Government's Transport and Road Research Laboratory.

These showed that skidding resistance had two distinct aspects: microtexture (the harshness of the stone chippings embedded in the road surface) and macrotexture (the way the chippings were distributed over the surface).

Microtexture provides skidding resistance at low speeds under all conditions and at high speeds in the dry. Macrotexture allows high speed skidding resistance to be achieved in the wet, by letting water escape from the contact area between the tyres and the road.

The new standard will be enforced in practice by monitoring trunk roads with a Sideway Force Coefficient Routine Investigation Machine (SCRIM). Temporary warning signs will be put up at sites - where SCRIM shows that skidding resistance is not good enough - until the surface can be improved.

The minimum skidding resistance required by the standard varies according to the details of site. There are 13 different categories, and the monitoring takes account of the site's layout and geometry (is it on a bend or near a crossroads?) and its accident history.

The Government will spend £9m a year over the next four years surveying all Britain's trunk roads and making improvements where necessary. After that the standard is expected to cost £2.5m a year in additional road maintenance.

The Department of Transport estimates, however, that the new standard will produce financial benefits of £35m a year through reduced accidents.



UK sows the seeds of organic computing

David Fishlock examines the molecular electronics initiative within the British Government's new Link scheme

At the other end of the spectrum is the possibility one day of organising organic molecules into films and even 3-D arrays by the Langmuir-Blodgett technique - Roberts's own speciality. This is the only way known today that might lead to a supermolecular assembly, he believes.

Such an assembly might even be composed of biological - living - molecules. The rich variety of molecular material - especially of the organic solid state - presents a range of possibilities for future progress, believe the experts. In contrast, inorganics offer relatively few long-term opportunities.

Molecular materials vary in complexity from small, simple molecules, through molecular polymers and crystals, to complex macromolecules such as proteins and nucleic acids. They display two levels of organisation: intra-molecular, where strong, usually covalent bonds determine distinct molecules; and inter-molecular, where weaker forces

determine molecular packing and orientation. The trend is already to design organic materials with just the properties needed. Roberts's team had to put some boundaries round a subject which sprawls widely across so much of science. It identified nine fields of scientific activity relevant to molecular electronics. Two, however, have been omitted from the Link initiative, leaving seven sciences: Liquid crystals, Langmuir-Blodgett films, organic conductors, photochromic and electrochromic materials, pyroelectric and piezo-electric materials, non-linear optics and chemical and biological sensors.

The two sciences omitted were designated "passive" uses of organic chemistry, whereas molecular electronics is seen as harnessing "active" molecules. The technologies abandoned were micro-lithographic resist, important for micro-fabrication of electronics by planar techniques, and metal organic chemical vapour deposition (MOCVD).

They are more appropriately labelled "chemtronics", says Roberts, and are already embraced by other initiatives of the Science and Engineering Research Council.

Under the Link initiative, molecular electronics has been newly defined as "the systematic exploitation of molecular, including macro-molecular and bio-molecular, materials in electronics and related areas such as optoelectronics". Hybrid technologies envisaged within the next ten years are those where a device is based partly on conventional solid state materials, and partly on molecular electronics. An example might be a chemical sensor which tunes into a specific chemical species by molecular electronic thin film material on an otherwise conventional chip.

Beyond the hybrid is believed to lie radically new types of device for storing, processing, transmitting and transducing data, and wholly derived from molecular electronics. The science will also provide power supplies in the form of thin-film batteries as an integral part of the chemical chip.

One of the most exciting ideas was first reported over 50 years ago. Irving Langmuir and Kathleen Blodgett, working in US General Electric's laboratories, published in 1935 a way of making films of chemicals only a single molecule thick. Recent interest in the possibility of using such films made from "active" molecules was stimulated by academic work in France and Britain. Close co-operation between physicists, chemists, biologists and electronic engineers has perfected the tricky process of depositing Langmuir-Blodgett (L-B) films.

At least nine organisations in Britain are believed to be studying L-B films: ERA Technology, GEC, ICI, Kodak, Plessey, Thorn-EMI, Unilever, BM and the Royal Signals and Radar Establishment. In the vanguard is a joint laboratory in the engineering department of Oxford University, financed by Thorn-EMI and specialising in L-B films under the aegis of Roberts. It collaborates closely with other Oxford departments, especially with Professor Sir David Phillips in biophysics. Its researchers spend one day a week in Thorn-EMI's central laboratories.

The beauty of the L-B film lies in its promise for self-assembling molecules into precisely specified structures. Roberts's team identified four ways in which L-B films might advance electronics. One is through their non-linear properties, inherent from the unique way in which they are made.

Another is as a micro-lithographic resist for future generations of chips. The third is as tunnelling spacers, by taking advantage of the fact that their thickness can be held to as little as one nanometre (one thousandth of a micron). The fourth way is in sensors, particularly biosensors composed of enzymes or antibodies, for example. Such a sensor might be able to monitor immunological response. It might even open the way to a bio-computer harnessing living organisms.

As Forrest L. Carter, a US enthusiast for molecular electronics, has pointed out, transistors typically dissipate 100m times as much heat per programming step as an enzyme, while enzymes can perform in one step recognition tasks that would tax any digital computer.

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February 4 1988



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BUSINESS LAW

Real comfort in a comfort letter

By A.H. Hermann, Legal Correspondent

OUR LAW report of January 12 must have caused sleepless nights for many group executives. Dr Rachel Davies reported that Mr Justice Hirst held to be binding a letter of comfort given by the Malaysian Mining Corporation to Kleinwort Benson, the London merchant bank. The result is that Malaysian will have to pay the bank some £12m as damages for the failure of their London subsidiary to repay a loan of £10m. The subsidiary, MMC Metals Ltd, is one of the many victims of the International Tin Council's default and is now in liquidation.

Comfort letters, known more aptly in Germany as *Patronatsklausuren*, are a soft alternative to a guarantee. They are given by a parent company for the benefit of its subsidiary for a variety of reasons: sometimes the parent does not want a guarantee to show on its balance sheet, it may wish to save on tax, or simply to avoid a legal obligation.

Comfort letters are a species of those ambiguous declarations which negotiators often use to save a deal threatened by lack of agreement on an important point. They accept a formulation which allows each of the parties to believe it did not give up any ground. It is a lawyer's cover-up of a disagreement. The lawyer keeps his fingers crossed and prays that there may never be litigation over the meaning of his handiwork.

This, however, is exactly what happened to the comfort letter received by Kleinwort from Malaysian. Kleinwort won, but the problems which Mr Justice Hirst had to solve before he concluded that the letter of comfort created a contractual obligation on the part of its issuer remind us forcefully of the shortcomings of English law concerning groups of companies.

The story of the comfort letter is simple. MMC Metals required additional finance and Kleinwort was willing to grant them a facility of £5m on condition that Malaysian guaranteed the loan. Malaysian said it was not its policy to guarantee the borrowing of its subsidiaries. After much toing and froing their board approved a comfort letter, the crucial sentence of which read: "It is our policy to ensure that the business of MMC Metals is at all times in a position to meet its liabilities to you under the above arrangements." The arrangements referred to in the letter were a loan of £5m, later increased to £10m.

Was this the same as a guarantee? Clearly not. A guarantee, which Malaysian refused to give, would have enabled the creditor to sue the guarantor for a well-defined amount of debt using the summary proceedings under Order 14 of the Rules of the Supreme Court. But if it was not a guarantee, was it not at least a contractual obligation to make good any damage suffered by the creditor?

When MMC Metals ceased trading in October 1985, it owed Kleinwort £10m plus interest and the bank asked for immediate payment from Malaysian. Malaysian denied liability. The comfort letter, it said, was not intended by either party to impose any legally binding obligation on them to support MMC Metals. Moreover, circumstances had materially changed since the letter was issued and with

great consequence, as was evident from the fact that it was backed by a formal resolution of their board.

The judge concluded that the letter formed an important and integral part of a commercial agreement; and as Malaysian was unable to prove that both parties intended that it should not be legally binding, it must be taken as creating a contract under which Malaysian was bound to make good any losses suffered by the failure of its subsidiary.

The decision was clearly not an easy one, and was preceded by many others solving similar difficulties. Not only does English law not make parents liable to their subsidiaries' creditors, it even allows subsidiaries to be made liable for the debts of parent companies to the detriment of their own creditors - see *Nemperor Holdings v Lloyds Bank*.¹

The statutory position is not very different in France but the courts go a long way to satisfy the creditors of a failed subsidiary. They often use mixed arguments, such as that the subsidiary was not really independent and was in fact controlled by the parent, or that it appeared so to the creditor because the subsidiary had the same or similar name, the same corporate location and engaged in the same kind of activities as the parent company.² The French courts will consider whether the subsidiary did not perhaps act for the whole group, or was put forward as a front for another company in the group or the parent itself.

The obligation of the parent to the creditors of its subsidiary is more clearly defined in German company law. The 1965 law on companies limited by shares (AG) provides for two situations. If the group is formed by contract, the parent company is obliged to stand in and make good any loss resulting from the company's trading at the end of the business year. If the group is not contractual but only results from the ownership of equity by the parent, the parent is obliged to indemnify creditors for losses caused by any disadvantageous actions which the subsidiary took at the behest of the parent in the interest of the group. This, of course, opens a number of questions concerning the relative advantages and the influence which may have to be sorted out in the courts, but it still gives the creditors a better position than they have in English law.

I am seldom enthusiastic about the EC Commission's proposals, but one has to recognise that its regulation on groups of companies, proposed in 1970, has it just about right. It provides in Article 259 that a parent company located in or outside the Community should be jointly liable for its EC subsidiary's obligations to creditors within the Community. This would be an improvement on present English law but one should go further: a Community aspiring to world trade should not cut out foreign creditors from the benefit.

It is a lawyer's cover-up of a disagreement - the lawyer praying that there may never be litigation over his handiwork

them Malaysian's policy regarding the support given to the subsidiary. No assurance had been given, it added, that such policy would not be reviewed in the light of changing circumstances. In due course Kleinwort took Malaysian to the High Court, where the main issue before Mr Justice Hirst was whether the assurance of the comfort letter, quoted above, was of a contractual nature.

English law recognises that some agreements do not give rise to legal rights because the parties had not intended any legal relationship between them. However, when the agreement relates to business - in contrast to social or domestic matters - the burden is on the defendant to prove that no legal effect was intended. It was argued on behalf of Malaysian that any ambiguity in the text should be explained against Kleinwort, which was responsible for providing the original draft of the letter. However, the judge found that the original draft was amended by Malaysian so that this argument did not succeed. Mr Samuel Stammer QC, appearing for Malaysian, then argued that to say "it is our policy to ensure" was less than "we confirm". He did not succeed here either, though the way in which the judge rejected this argument is not entirely convincing.

Mr Stammer's strongest argument was that the prehistory of the comfort letter clearly indicated that Malaysian was not prepared to accept joint and several liability or to enter into a guarantee, and that, in his view, should be enough to remove the presumption that the comfort letter was meant to create a legal obligation.

Mr Justice Hirst rejected this argument. The refusal of a guarantee did not, in his view, exclude the possibility of another contractual obligation. The bankers clearly relied on the comfort letter when agreeing to the loan. In addition, Malaysian treated the letter as a document of

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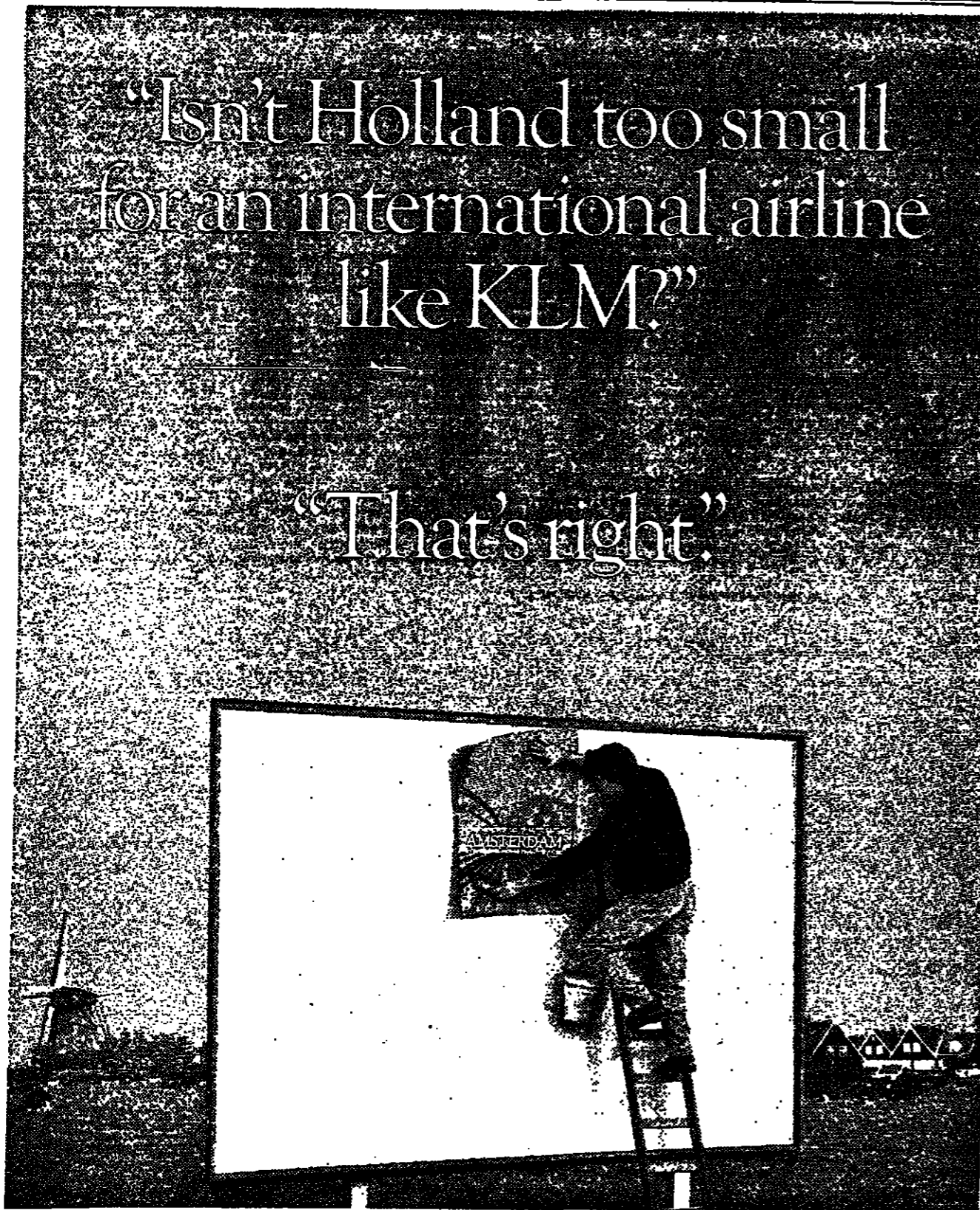
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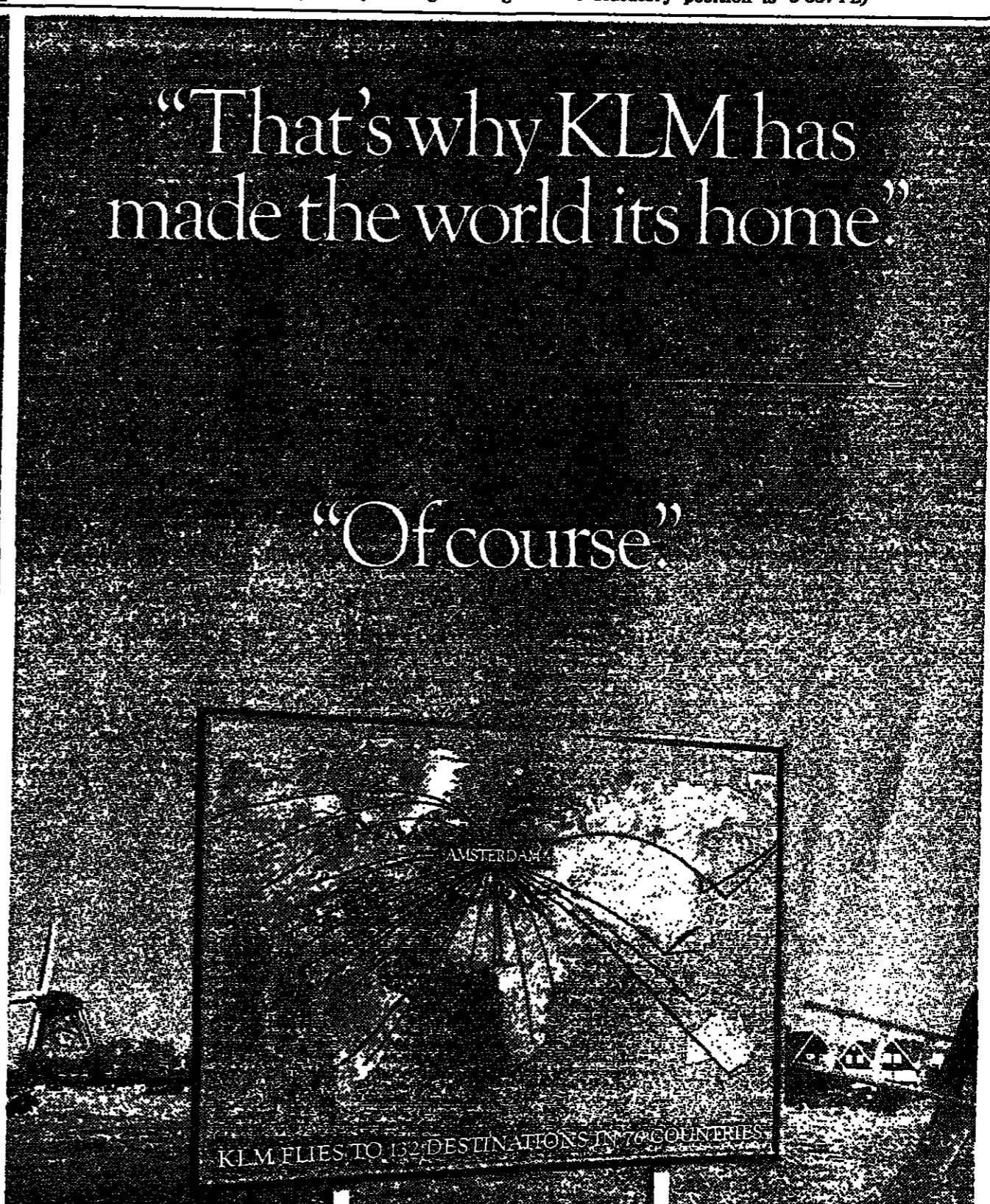
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صكرا من الاصل

Serpentine Gallery/William Packer

Landscapes seen through abstract eyes

The Serpentine Gallery in Kensington Gardens, W2, has long since broadened its founding policy of paternal care for younger artists at the outset of a career.

Its current two-man show (until February 24) sets the pattern, bringing to London for the first time on any significant scale the work of the distinguished Australian painter, Fred Williams.

Williams died in 1982 at the age of 55, and Cook, now active again after a recent debilitating illness, is 69. Upon his return to Australia in 1987, after a period of study in London in the early 1960s, Williams began to work regularly from the landscape, establishing the pattern in his work of taking a particular theme or location that would absorb his attention for a considerable interval.

The Pilbara Series of oil paintings and gouaches, which constitutes a part of this exhibition, occupied him between 1979 and 1981 and was the last such major project in his life.

Barrie Cook is a figurative painter only in the sense that all abstract painting is a kind of landscape painting, in exactly that sense of the space that is inevitably created by the act of painting.

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Fred Williams with his work shortly before his death in 1982

pointing since the war, to be adopted too often almost without thought or purpose, as though size alone confers significance.

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than the Serpentine deserves our thanks for bringing them back into the light.

It is as absurd to suppose that good art is the preserve of the young as to deny the young the critical attention they sometimes deserve.

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Rodrigue and Cendrillon

Max Loppert

The vision of a completely unknown Debussy opera shimmered up tantalisingly at the French Institute on Tuesday evening.

It has recently been the task of the Debussy scholar Richard Langham Smith to edit the extant parts of the opera; and, in company with the Debussy pianist Paul Robens and a fine team of young French and English singers, he presented five piano-accompanied fragments in Tuesday's concert.

It is easy to admit that Mendès's libretto (of amazing fulsome banality) could never have been to the taste of the composer of L'Après-midi.

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than one could ever have guessed. It is not unnatural for the *Fidèle*-lover to sniff out the hints of Méliandre in the writing for the heroine Chimène, or of Arkel in the bass parts Don Diègue and Don Gomez.

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A Touch of the Poet/Young Vic

Michael Coveney

Eugene O'Neill and his third wife, Carlotta, somberly destroyed all remnants of his projected American history cycle shortly before his death.

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New York's first arts jamboree

It will be the biggest arts festival ever - and it will be in New York. For a month from June 11 over three hundred arts events will take place, all sharing one characteristic: they represent the creative output of the 20th century.

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Dance in Paris

Freda Pitt

The Kirov Ballet recently ended an eight week season at the Paris Opéra with a programme which included the *Corydon*, already reviewed on this page by Clement Crisp.

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Arts guide

Exhibitions

LONDON

Tate Gallery, Turner in the new Clara Gurr. Request, which amounts to nearly 300 oil paintings, finished and unfinished, and a further 18,000 or so watercolours and sketches, has been a source of controversy and discussion ever since it came into the nation's hands more than 150 years ago.

PARIS

Zurbarán, From New York, an exhibition of 72 paintings retraces the artistic development of one of the great masters of the Spanish Golden Age.

around 300 paintings, drawings, graphics and prints, the artist's complete artistic range, spanning cubism, classicism, and surrealism, as well as Picasso's later work. Prinzregentstrasse 1. Ends Feb 28.

ITALY

Rome, Palazzo dei Conservatori Campidoglio. Hidden Treasure: The Imperial Silver Collection. The exhibition features the most important fine collection of silver tableware dating from 350 AD, mostly buried by two Roman generals, Marcellus and Brutus, when the Castrum Rauriacense (the site of the modern village of Kaiseraugst) on the northern peninsula of the troubled Roman Empire was threatened with barbarian invasion.

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CHICAGO

Art Institute, More than 80 drawings of early 19th-century architect Friedrich Weinbrenner show his influence in rebuilding Karlsruhe and Baden Baden as well as doing numerous commissions for German royalty. Ends Feb 28.

January 29-February 4

fine coins and legals has made it possible to date the collection precisely. They are delicately curved, long-handled spoons and some other beakers, which were already more fashionable. There are serving dishes - one splendid octagonal, another decorated with the figures of a woman and a child, of Achilles, and yet another rectangular, decorated with a charmingly improbable fish. If that were not enough there is an elaborate candlestick with markedly oriental decoration inlaid with gold. Ends Feb 14.

WASHINGTON

National Gallery, A century retrospective of Georgia O'Keeffe includes 115 oil paintings and drawings, among them rarely seen examples from her famous New Mexico landscapes, exotic flowers and still lifes. Ends Feb 21.

TOKYO

Nem Museum, Japanese swords and fittings. Objects of beauty as well as instruments of death, these swords are elegant in shape, line and texture and design. The exhibition features 60 items from the museum's collection. Afterwards, take a stroll in the densely wooded garden. Ends Feb 21.

Saleroom/Antony Thorncroft Demand with restraint

British artists of the early 20th century have been all the rage in the last two years, with their prices rising irrationally fast. Judging by the response to the pictures offered at Sotheby's Billingshurst saleroom on Tuesday demand is still there, but now showing understandable restraint.

Every lot sold on the first day, for \$1.69m, (\$946,778) and some of the prices were extraordinary, not least the \$52,381 paid by a Los Angeles dealer for an unpublished manuscript written by Mark Twain as an epitaph on his favourite daughter who died of meningitis at the age of 24.

British artists of the early 20th century have been all the rage in the last two years, with their prices rising irrationally fast. Judging by the response to the pictures offered at Sotheby's Billingshurst saleroom on Tuesday demand is still there, but now showing understandable restraint.

Every lot sold on the first day, for \$1.69m, (\$946,778) and some of the prices were extraordinary, not least the \$52,381 paid by a Los Angeles dealer for an unpublished manuscript written by Mark Twain as an epitaph on his favourite daughter who died of meningitis at the age of 24.

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Thursday February 4 1988

Lessons from the crash

THE MOUNTAIN of analysis now emerging in Washington about last October's stock market crash serves to underline one key point. In the words of the Presidential Task Force, the US faced on the morning of October 20 the prospect of a breakdown in its financial system. The speed and scale of the crash stretched the capacity of the securities markets almost to breaking point, leading to a widespread collapse of established market mechanisms. That in turn threatened a systemic failure spreading rapidly through other financial markets.

what the Presidential Task Force described as "circuit breakers" - a graduated set of responses to growing pressures on the market systems in times of financial panic. Examples would include the limits on programme trading - the rapid buying or selling of big lines of stock - which the New York Stock Exchange is due to be considering today. Free marketeers will object to such artificial restraints on trading. But better to have a pre-ordained plan for moments of great crisis than the market breakdowns which frequently brought trading to a halt in the crash.

The risks were significantly increased by changes in market structures in recent years, which have not yet been fully reflected in regulatory and trading systems. The markets for stocks, stock index futures and stock index options have become fully integrated from the perspective of institutional investors. There is clear evidence that the availability of the futures market has greatly increased the velocity and concentration of stock trading, undermining the ability of market makers to provide liquidity. But last October showed that in terms of settlement, clearing, information exchange and overall supervision, the links between the different markets are still woefully inadequate. Thus Chicago firmly believed at one point that the New York Stock Exchange was about to close. Systems failures disconnected the New York and Chicago markets, adding to the chaos as prices in the futures and cash market moved out of line with each other.

Trading practices

Markets are self-correcting, and some of the trading practices which contributed to October's violent movements have not already been abandoned. But not all of the shortcomings which were evident last October can be corrected in this way.

At least three other types of reform will have to be addressed. One is the need for

Next, weaknesses in the clearing and settlement systems, and in the performance of different market makers, will need to be tackled. Regulations covering each individual market have to take into account the impact that trading in any one market can have on all the others.

Several volumes

The third area for reform arises from the need for co-ordination among the different regulatory authorities during times of crisis. The Federal Reserve does not want prime responsibility for the job, because it fears - rightly - that it could be seen as the lender of last resort for the securities industry. The chairman of the Securities and Exchange Commission suggested yesterday his agency should have final regulatory authority for all equity related products. There are no prizes for guessing the likely response of the Commodity Futures Trading Commission, which is responsible for futures products.

A final point: the different US authorities have already produced several stout volumes of detailed analysis on the events of last October. The rest of the world has produced a small fraction of this work. Given the scale of risk which was threatened by the crash, it is clear that they do these things better in America.

Wrong-footed on health

THE SPECTACLE of nurses protesting outside Downing Street is a graphic illustration of the way the Thatcher Government, so dominant in other spheres, has been wrong-footed on health. The Prime Minister has set in train a far-reaching internal review of the National Health Service, but failed so far to quell concern about underfunding of hospitals and inadequate services for patients. These concerns are immediate; and the Government is likely to face intense pressure for more cash long before it is ready to start implementing structural reforms.

view that industrial action is not only pay for concessions from ministers. This is dangerous when public sympathy for nurses is running so high.

The discontent within the nursing profession cannot be disentangled from the malaise afflicting the NHS as a whole. There is no one explanation for yesterday's strike action. Pay is important, but nurses also cite worsening conditions of work, a fall in the quality of patient care, ward closures, and the Government's perceived negative attitude towards the NHS.

Mental tasks

Several of the Government's recent health initiatives have seemed to worsen the lot of nurses. The privatisation of ancillary services has forced them to take on additional mental tasks not specified in the new commercial contracts. The management changes recommended by the Griffiths Report in 1983 have reduced the profession's clout within the NHS. Nurses on picket lines are thus aggrieved not only because of pay, but because their influence as an interest group is threatened.

The Government has not handled matters adroitly. Its plan to help finance a new salary structure by cutting back on special payments for unsocial hours was ill-conceived. The subsequent climb-down after a brief walkout by less than 40 night duty staff at a Manchester hospital, however, was far more damaging. It has reinforced a

One obvious response for the Government would be to announce that it will fund in full the recommendation of the nurses' pay review body. This will look like a small climbdown, but it would be preferable to a bigger climbdown later on. Besides, the practice in previous years of implementing recommendations but failing to fund them was pernicious. It has been a big contributory cause of the cash crisis afflicting many hospitals.

A temptation

In the longer term, it will be necessary to find a combination of pay and working conditions for nurses that makes the NHS competitive relative to service industries in the private sector. It is no longer possible to rely on a Florence Nightingale public service ethic; the militant girls on picket lines expect to be paid market rates. The Government rightly favours regional differentials and higher rates for nurses with specialist training, but it seems reluctant to face the public expenditure consequences of its own logic. In the meantime, some 600 nurses are leaving the profession each week.

The Government may be tempted to present the NHS with an explicit trade-off: either higher pay for nurses and other categories of worker in short supply or more cash for enhanced services for the public. Yet international comparisons suggest that both pay and service provision is unusually low in the UK health sector. The challenge for the internal review is to create a structure in which additional cash can be used to the best possible effect, not to deny the need for extra resources.

John Lloyd on the threatened break-up of the ILEA

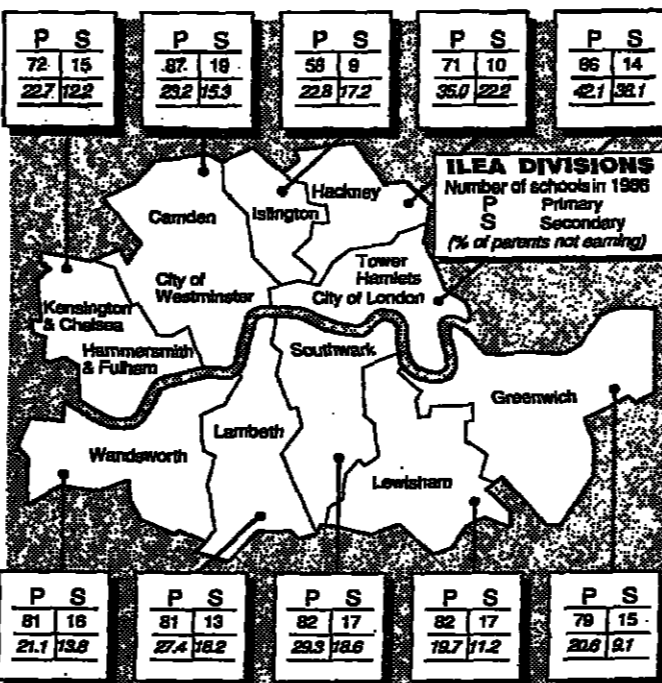
A TALK with John Kemp, headmaster of Hackney Downs boys' school in the Inner London Education Authority is interrupted by his deputy. A pressing matter concerning a pupil of 16 who comes to school very occasionally, and then only to steal. The police want to know his status - expelled or not?

The headmaster explains there is a handful of such boys under his care; on the other hand, a similarly small number - perhaps five - take A-levels and leave themselves into university. The latter is the more notable fact.

Walking about the school leaves an impression of boisterous, occasionally profane children contained by harassed teachers, the boys shout and careen down corridors between lessons, but unobtrusively call the headmaster "sir".

Outside the school administration office, two boys are asking a third, insistently, whether he succeeded in getting a girl's knickers off. In an art class, an Asian boy shows a collage of real imagination and skill. A young teacher of German, animated and enthusiastic even on a Friday afternoon, holds his class in attention. A classroom in which a few boys are wandering about unsupervised, the headmaster gently talks to a diffident boy of about 13 in fluent French - the boy's native tongue.

Next, weaknesses in the clearing and settlement systems, and in the performance of different market makers, will need to be tackled. Regulations covering each individual market have to take into account the impact that trading in any one market can have on all the others.



Liberation or defeat

Something of the flavour of this school gives the edge to the current moves to reduce or abolish the ILEA. Behind the reasoned case against it - and there is a reasoned case to be made against many of its practices - you can detect in dinner-party conversation, in anecdote, in the back of the cab, the shrinking away of white middle-class and working-class alike.

They are recoiling from the effects of the huge social and educational movements which the authority has had to contend with, especially over the past 15 years - to say nothing of the less important but more notorious "new left" concerns of the authority's members in the early 1980s. (And they are not just white: many boys in London's private schools, such as Dulwich College, are the sons of Asian corner shopkeepers.)

The result is an authority from which a good deal of "spin-forming," though not necessarily public support, has been withheld. At the least, such opinion has been made sceptical.

and in opposition to the remoteness, profligacy and extremism of the ILEA. It is certain that the authority is ripe for reform. The case against its remoteness from and arrogance to parents, lack of public concern for quality, subservience to the teaching union and under-cutting of support for head teachers has been well put by its current leader, the left-wing Neil Fletcher - positions which Fletcher stressed rather than modified in a recent interview. ("The key people are the heads; they must be motivated; they are the managers.")

Though the Government has clearly identified an area which must be reformed, its method should be recognised for the radical and risky project it is. For it cuts directly against the ILEA's traditions and aims - aims which were supported, until very recently, wide support, but which have been dynamited by changes which must be reformed, perhaps broken, any education system. Consider these as management problems:

meant, says Sir Peter Newsam, the former education officer, that pressures mounted on politicians to intervene in detail and they put more pressure on the bureaucracy. The old cosy relations between officers and heads were weakened, for good and ill.

As that happened, teachers' salaries were slipping down the earnings league and London house prices took off. Though the Houghton awards of 1974 hitched salaries up, a tradition of militancy had been established and the London teachers' union leadership passed to the far left.

The authority greatly extended its policy of discriminating in favour of poorer areas and pupils, while simultaneously raising the entry age for 40 per cent of children in Inner London being born to mothers who themselves were born abroad, it had to adopt policies on race. A deep divide opened between those who sought to integrate ethnic minority children and those who stressed an approach more respectful of their parents' culture. The latter camp won the argument, bequeathing a terribly difficult practice to operate.

Rolls fell - from 252,000 in 1970 to 154,000 in 1980. Schools had to be closed (but often were not) and teachers moved about (but often could not be).

In the early 1980s, more radical GLC/ILEA councillors focused on highly visible, aggressively pursued anti-sexist and racist policies, some of which stirred up prejudice and a few of which defied common sense.

It will have to prove a powerful force indeed to prevail against the status quo which will continue to sweep through the capital's children.

The Yamani Story

Since his dismissal in October 1986 Sheikh Ahmed Zaki Yamani, the former Saudi Arabian Oil Minister, and colossus of Opec, has kept a discreetly low profile. He recently addressed the Council on Foreign Relations and his insistence on absolute confidentiality was respected.

Yet the man who has everything - except for the publicity which his old job gave him - has been happy enough to accept the award of the International Association of Energy Economists as outright winner. An additional bonus for Yamani may be - if such a thing were possible - any discomfort felt by King Fahd over the fact that the faithful servant whom he summarily dismissed has been singled out for the honour.

Both monarch and ex-minister may be less pleased with one crucial passage in a forthcoming biography entitled Yamani: The Inside Story by Jeffrey Robinson, author of The Risk Takers and Minus Millions.

Robinson promises revelations about how Yamani nearly made his career in Coca Cola, his private, air-conditioned prayer room in Mecca's Grand Mosque, and how a Masonic-like organisation is becoming the real power in Saudi Arabia.

OBSERVER

New crop of redundancies almost every day, there are always those that profit. The Just For You Card shop in Throgmorton Street has run out of farewell cards in the rush. More are on order, but in the meantime departing colleagues will have to settle for bereavement cards saying "with deepest sympathy".

Genscher's knife

One of the reasons for the apparent frost in Anglo-German relations is not so much that Margaret Thatcher and Chancellor Kohl do not get on. They have agreed to live with it. Her attitude has little to do with foreign policy. She does not like coalition politics. Those are exemplified in the Federal Republic by Genscher and the small Free Democratic Party (FDP).

Genscher brought down Helmut Schmidt's Social Democratic coalition with the FDP in 1982 and switched alliances to form a new coalition with Kohl's Christian Democrats. Thatcher thinks he is plotting to do something similar again whenever the moment is ripe.

For her, he is a married man. In Britain, of course, we order these things better and do not have coalitions.

Happy strike

There was a pleasantly unattractive feature about the health service picket line outside Barts Hospital in London yesterday. The "professionals" - students and Socialist Worker Party supporters - appeared briefly before most left for the main demonstration in Whitehall. The problem for the professionals was that while there were plenty of "us", there were no "them".



"Let's picket the Channel Tunnel - at least we'd be able to shelter from the rain."

The strike was just too happy. No one seemed to mind. A busload of cheery pensioners waved in support, cars honked, taxi drivers shouted, patients leaving hospital were saying good luck, and doctors going on duty gave the thumbs up sign. Even a policeman was moved to remark on his "cushy number".

No room for the professionals here. How on earth can you have a fight without a dis-senter?

Indian summer

Dr P. C. Alexander, Indian High Commissioner in London since June 1986, is a man for whom normal civil service retirement dates do not apply. At the age of 66, he has just been appointed Governor of the southern Indian state of Tamil Nadu which, in his own words, is currently in a state of "utter confusion".

Indira Gandhi when she was Prime Minister. Alexander will virtually have the powers of a pro-consul after the decision last week to put Tamil Nadu, with a population of 58m people mainly of Tamil origin, under "President's rule."

His immediate task will be to restore law and order after the recent clashes between rival political factions and the dissolution of the state parliament, and to organise elections in about two months' time, if possible. Reports that he will then relinquish his new office are first-hand news.

A public speaker of distinction, whose "curry lunches" for MPs and journalists during his stay in London have become somewhat of a legend, Alexander has presided over a distinct improvement in Anglo-Indian relations since his appointment as High Commissioner 2 years and nine months ago. He believes that there is now "genuine understanding" in Britain of Indian concern about the activities of Sikh militants abroad, which had previously soured relations between Delhi and London.

He puts down the ability of Sikhs in Britain to finance the Khalistan Sikh independence movement in the Punjab as due to "the unfortunate accident of the perverse exchange rate." As for the Tamil Tigers guerrillas in Sri Lanka, they are dismissed as "not an overly educated lot."

Comrade Heseltime

This must be the ultimate in British political chic. Michael Heseltime yesterday gave a 75-minute interview to Marxism Today, the theoretical journal of the Communist Party. It will appear at length in the March issue. Martin Jacques, the editor, says he found the Heseltime performance extremely impressive.

Bring it back

One graffiti seems to have disappeared recently, perhaps with the decline of Latin: Amo, amas, amat, amatragin.



Secrets of the Temple

By William Greider
Simon and Schuster
\$24.95

EVERYBODY loves to be let into a secret, so Mr William Greider's Secrets of the Temple, which really is the first thorough account of policy-making in the Federal Reserve Board, was guaranteed a great deal of attention from the moment he wrote the first line. In the US it has certainly achieved that, with two long extracts in the New Yorker (an intellectual accolade in itself) and reviews everywhere in all a great city.

The book is designed to impress. It is enormously long and is based on first-hand interviews, excellently reported. This is likely to hypnotise many readers into believing what has been said on these massive foundations - a structure of the purest populist nonsense and mischievous at that. It describes the Fed as secretive and unanswerable to no one - untrue on both counts - and goes on to accuse it of using these supposed powers to run an old-fashioned bankers' ramp. It did not feel like that to commercial bankers.

In fact the Fed is far more open than any other central bank. It published full and pretty accurate minutes of the meetings of its main policy body, the Federal Open Market Committee, a mere six weeks after that fact. Formally, the secretary rather than the governors has the last word; he can reject their attempts to feed a little hindsight into the minutes if the original note tells a different story (though secretaries, like governors, are of variable quality).

In addition the Chairman has to appear before Congress every six months to be cross-examined about monetary policy. Although his evidence has not usually been as gripping or as easy to follow as Mr Greider's reporting (especially when it was in Volcker-speak), it has been responsive to tough questioning. It has to be, because Congress has the power to revoke the independence of the Fed.

This does not prevent Mr Greider from accusing the Fed of deliberate deception: its conversion to monetary targets in 1979, he claims, was dishonest. The governors did not believe in monetarism, but simply wanted to pass the blame for rising interest rates on to the financial markets. He quotes two governors who did vote for targets without believing the Chicago creed, but this is not at all the same as proving that the whole

Board faked an alibi. Other governors were true believers; and Mr Volcker, who is not by nature a doctrinaire, was at the least a pragmatic supporter: he wanted to convince the markets that the Fed was now serious about fighting inflation.

That was its real sin, in Mr Greider's view. He likes inflation, on the Robin Hood principle, because it robs rich lenders to help poor borrowers. Mr Volcker is cast as the villain of American mythology for more than a century.

This is bad economics. The robbery no longer works in these days of floating interest rates, unless the Fed actively inflates at an accelerating rate, which is hardly what the Fed was put there to do.

This obsession also means that Mr Greider cannot discuss the interesting changes against the Volcker Fed: that its monetarism was technically faulty (the old Sprinckel case), or that its focus was excessively domestic. American industry is only just recovering from the worldwide dollar shortage created in the early 1980s by the Fed's efforts to hit purely domestic monetary targets.

US policy now seems to have changed. The Fed has not responded to zero monetary growth at home in the last three months. In this because it now takes account of the rather sharp rise in dollar holdings in central banks outside the US, or simply because the new Board is paralysed by its own inexperience.

The Volcker Fed, too, was perplexed. It had good reason to be, for there was no American experience to guide it in trying to discipline a deregulated monetary system.

Under the old regulations, banks were forbidden to offer more than a fixed ceiling rate of interest on deposits - an effort to protect the savings and loan system of housing finance, which has subsequently drifted into such desperate trouble. In addition, the normal bank loan was a contract at a fixed rate of interest, drawn and redeposited when it was negotiated.

This had two results: the monetary numbers gave reliable advanced warning of increased spending, and the system was what Governor Wallach called "crunchy". A rise in interest rates which would hardly be noticed in today's markets could produce dramatic results.

The situation the Volcker Board faced was totally different. Borrowers paid floating rates of interest and their credits might well be financed in the Euromarkets. The Board could not be sure what the numbers meant, nor what effect its own actions would have.

The Fed was trying to learn on the job and even now the answers are far from clear. Mr Greider has had unrivalled access to those involved and produced a readable account of what they told him, but it is also a frustrating one. If only one had been able to sit in at his interviews and ask some supplementary questions.

Anthony Harris

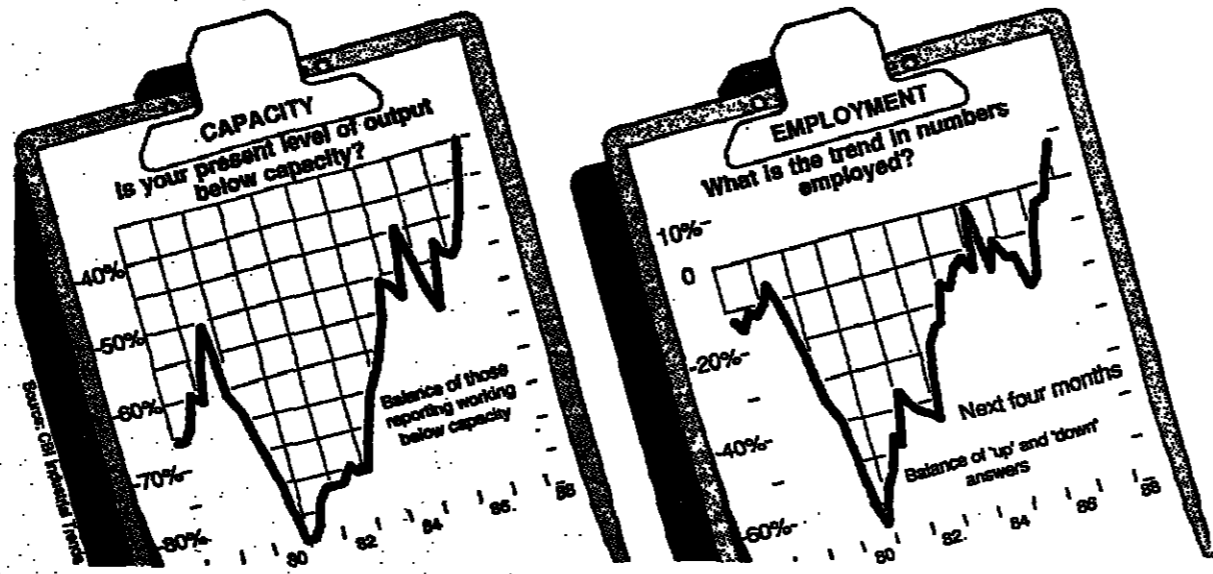
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ECONOMIC VIEWPOINT

Tackle inflation at source

By Samuel Brittan



SOME people are instinctively more concerned with inflation and others with the balance of payments.

Although the two variables are ultimately interrelated, operational differences between the two schools of thought are particularly strong at present.

The anti-inflationists concentrate on maintaining a strong pound and making this policy known, so that inflationary pay settlements are not baited out by a depreciating pound.

They put more emphasis on high interest rates as a weapon of restraint. The tightness of the Budget judgment will not worry them, so long as exchange rate and interest rate policy look credible.

Members of the balance of payments school, which suffers from a culture lag, worry much more about the deteriorating monthly trade figures and would like a timely fall in sterling to maintain competitiveness.

They are reluctant to see higher interest rates and regard a tight fiscal policy as the main weapon of restraint, even if it means a public sector repayment replacing the familiar public sector borrowing requirement.

Mainstream economists mostly belong to the balance of payments school, and it is a reasonable inference that the Treasury does too. Connoisseurs will have noticed the difference between the Bank of England's enthusiasm for Monday's 1/2 per cent rise in base rates to 9 per cent and the Treasury's foot-dragging approach - extending to trying to dissuade the media from expecting any further increases.

The Chancellor, Nigel Lawson, belongs to the anti-inflation school. The Prime Minister, Margaret Thatcher, thinks she does. But because of her instinctive opposition to being tied down by any medium-term exchange rate commitment and her dislike of high interest rates, she in practice finds herself in the balance of payments school and in the company of those who are not to know them.

The Bank of England at present sides with the anti-inflation school. But its attitude is short-term and pragmatic. It is rightly worried by inflationary symptoms. It is conscious that, with the breakdown of monetary targets, the Chancellor's D-Mark objective is the only available counter-inflationary anchor.

The Bank thus chose a period when sterling dipped below the upper limit of the Chancellor's DM2.80 to DM3 range to press for a base rate rise against what I imagine was a fairly open door at Number 11.

My view is that demand is still rising too quickly, but that the chief weapon of restraint should be monetary not fiscal. The evidence is best summarised by the official estimate that nominal gross domestic product (GDP) is rising at a 9 1/2 per cent annual rate, 2 per cent higher than projected in the Budget.

Although there is as yet no estimate for the final quarter of 1987, it is doubtful if the trend has changed. About the only evidence of a slowdown is a wobbling of the latest monthly figures for retail sales, output and vacancies. The wobble is already over in the residential market - the Halifax House Price Index for January is 15.3 per cent above a year ago and the highest ever recorded.

The Confederation of British Industry's January Trends Survey is far more bullish than the CBI itself admitted. Capacity utilisation rose by 6 percentage points and is well above what it was at the 1977 peak of the last boom. The balance of firms expecting to increase in employment is the highest since the Heath dash for growth in 1973-74. Unless there are strong indications to the contrary, such as a second stock market collapse, I prefer to go by actual evidence of rapidly rising demand, rather than mere forecasts of a slowdown.

There is a deeper issue too. The forecasts of slowdown refer to real output. But what needs to slow down is inflation. If nominal demand growth slowed to 7 per cent per annum and inflation to 3 per cent, nobody would need to worry about real output continuing to rise by 4 per cent.

Unfortunately, the opposite is occurring. Pay increases in manufacturing have been edging upwards from 7 1/2 per cent to well over 8 per cent. As important as other signs of inflationary conditions such as renewed union militancy.

There is a smell of sulphur in the air. Ford not only increased its pay offer under a strike threat, but risks having even its new offer turned down. Long forgotten expressions such as "days of action" have re-emerged. One union spokesperson had the effrontery to say that National Health Service patients were being made to suffer in their own true interest. Happy days are here again.

Public sector military flourishes in a climate of excess demand and when large private sector settlements are leading the way. Higher interest rates put a brake on demand both directly and via their effect on the exchange rate, which makes it more difficult for employers to pass on high settlements in international markets.

My first Economic Viewpoint of the New Year was headed: Raise UK interest rates when sterling allows. Sterling is the only excuse for not having made Monday's rise a full 1 per cent. If sterling remains below its DM3 ceiling, base rates should be raised again, if possible to 10 per cent. The Federal Reserve's politically panicked reduction in US interest rates is not an example to follow.

If UK domestic demand is too high, why have any tax reliefs in the Budget? One difference between the two schools of thought mentioned at the beginning of this article is an instinctive difference over the relative importance of monetary and fiscal policy in demand management.

Those whom I labelled anti-inflationists tend to believe that monetary policy is usually most effective for demand management and that, except in extreme situations, the role of taxation is to finance Government spending over a business cycle. The balance of payments school, on the other hand, tends to believe in fiscal fine tuning and sees the Budget as a way of taking spending power out of the economy.

But the prospect of a Budget surplus if he makes no changes, Mr Lawson would be quite justified in remitting (not "giving away") taxes by £5bn per annum and publishing a realistic revenue forecast, rather than the deliberately conservative one that his advisers would like. It is his one and only chance of major tax reform.

But the advice to go for the £5bn figure is subject to one qualification. This is that the Chancellor insists on a credible commitment to a medium-term exchange rate objective, which is the only monetary strategy which has a chance of being understood and monitored in current British conditions. Anyone who quotes my Budget advice without the qualification will be committing defamacion.

It is not enough to raise interest rates this week or operate a tight exchange rate policy in the here and now. The received wisdom is that sterling will depreciate substantially against the D-Mark in the medium term; and this belief percolates through to wage bargainers who would not know an exchange rate forecast if they saw one.

Membership of the European Monetary System is the one available way of making an exchange rate target credible. The Group of Seven alternative is a snare and a delusion. On the most optimistic view, the G7 structure is a means of managing change, allowing quite large currency appreciation and depreciation. It is not a way of establishing an exchange rate structure for British monetary policy.

There is, of course, an element of bluff in exchange rate strategy, as in all monetary policy. If people expect sterling to fall and act upon it, British pay and prices will become uncompetitive. After a few years it will become irrational not to devalue - witness the Wilson Government in 1967 - and the odds are that this will happen.

In that case, we will find that Italy, which already claims to have overtaken the UK in real GDP per head, will also have a lower inflation rate. As it is already down to 5 per cent, Italy does not have much further to go to do so.

The anti-inflation school is not indifferent to the balance of payments, but sees no reason why each country's overseas borrowing or lending should be exactly nil.

It notes that the UK official payments figures exclude a favourable "balancing item" that has averaged £5bn or £6bn in the last few years. In view of the "black hole" in the world balance of payments, it is quite likely that the true figure is nearer zero. But there has undoubtedly been a deteriorating trend.

The latter must be seen in connection with the fall to zero or less in UK public sector borrowing - even excluding privatisation it is not much above zero. Thus, in contrast to earlier payments crises or to the US today, the payments gap is not the counterpart of excess Government borrowing. The private sector has run down its savings below its investment and is filling the gap by overseas borrowing.

The current deficit matters only because it is a symptom of excess demand and of UK costs rising at an inflationary rate. It is these inflationary pressures that need to be tackled at source and not the current account for its own sake.

Lombard Law and order in Ulster

By Margaret van Hattem

THE BRITISH Attorney General's announcement that officers of the Royal Ulster Constabulary who allegedly attempted to pervert the course of justice (we are not told with how much success) would be subject to internal disciplinary procedures, but not public prosecution, has done little to increase respect for British law, its application or its enforcement.

That the Government should have placed immediate considerations - such as its need to protect the morale and standing of the RUC if it is to maintain order in Northern Ireland, ahead of the much more fundamental issue of respect for the law, is an important misjudgment that goes well beyond the issues of justice in Northern Ireland or Anglo-Irish relations.

The Government's continuing failure to answer allegations that special police squads were operating a shoot-to-kill policy - allegations arising out of police shootings of suspected terrorists in Armagh in 1982 - has weakened confidence in the Government's commitment to the rule of law.

Equally disturbing has been the unexplained replacement of Mr John Stalker, the former Deputy Chief Constable of Manchester, as head of the inquiry into the shootings and the allegations. This was done against his will and despite the failure of exhaustive police inquiries to substantiate allegations of his misconduct.

If, as the UK Attorney General says, police tried to pervert the course of justice, they must be prosecuted if there are grounds for prosecution. To do otherwise is to assert that the police are above the law. If prosecutions and the revelations that accompany them undermine the police force to a point where it can no longer function effectively, Northern Ireland and its people may have an extremely difficult time until the force's morale and standing are restored.

But to opt for pragmatism, leaving the matter to an internal disciplinary procedure, is a devastating vote of no confidence in the courts, in the police and in the Government itself.

It suggests that the courts cannot deal adequately with the case; that the police force would be too discredited by the evidence (and too weak to recover); and that the Government either cannot govern effectively without the support of the police, or has not the resolution to do so.

The policy of silence may undermine rather than assist the RUC, whose standing and international reputation as a highly professional force have been painstakingly built up in recent years. In particular the sight of police dealing just as firmly with "Loyalist" mobs protesting against the Anglo-Irish Agreement, as they had dealt with Republican mobs in the past, has done much to restore nationalist confidence in the RUC.

The deadly game of cat and mouse between police, paramilitaries and other more shadowy presences is played out in an enclosed world, according to its own rules, largely beyond the reach of law courts or government, but not beyond the reach of politics.

The divided community has different, but equally strong demands: the majority insists that the institutions of the state deliver public order; the minority, that they deliver impartial justice.

The resolution of these conflicting demands is a political task from which the Northern Ireland parties and their leaders have long since opted out. Westminster and Dublin have yet to take it on.

So the RUC has assumed responsibility and with it a quasi-political role. The Chief Constable has said that the function of the RUC is "the maintenance of law and order" - a broader role than the mere enforcement of the law which, in Northern Ireland particularly, cannot guarantee order.

That the RUC should be left, let alone permitted to take on this responsibility is perhaps one of the more serious indictments of British rule in Northern Ireland.

Pricing policy has no logic

From Mr A.P.H. Herd. Sir, When Mr Cecil Parkinson was reinstated to ministerial status as Energy Secretary last year he announced, in a keynote speech at the Conservative Party conference, the break-up of the electricity industry. He clearly indicated that there would be radical competition, and that stronger consumer rights would also be enforced. We are not to know then that the only consumers Mr Parkinson had in mind were the post-privatisation electricity users, and that the Government was intent on inflicting price increases of up to twice the rate of inflation on today's customers for reasons devoid of economic logic. That the proposed increases are regarded as unnecessary and damaging is clearly illustrated by the anger and disaffection expressed by so many individuals and organisations.

I share and support the view that the Government should, as a matter of extreme urgency, re-examine their electricity pricing policy in relation to specific published plans for splitting the industry, in order that electricity might be generated and sold to the consumer in a truly competitive market, as previously promised. As a starting point for such a review I would recommend your editorial of November 5 1987, it covers the relevant aspects of the electricity debate (or wrangle) in a detailed and objective manner. I would also commend your straightforward formula covering the sale of assets on privatisation, but am not entirely convinced by your

Letters to the Editor

case for allowing prices to rise in line with inflation at this time.

In March 1987, the Centre for Policy Studies estimated that UK electricity consumption was 20 per cent more than it should. In April of the same year, National Utility Services noted that UK electricity prices were falling more slowly than in many other industrialised countries. Finally, in the case of the domestic consumer it should not be forgotten that the controversial Standard (or fixed) charges were quietly increased by less than threefold between 1979 and 1982.

A.P.H. Herd, 2a Strathmore Street, Broughdy Ferry, Dundee, Scotland

Hands-off regulation has been inefficient

From Mr Ian Brown. Sir, In his article "Myths of the US Power Industry" (January 25) Professor Richard Schmalensee should have added a fifth to his list of four. This myth maintains that the regulation of privately owned electricity utilities in the US has resulted in the creation of an overweening bureaucracy, thereby restricting the ability of utility managements to manage.

We examined this proposition, and found it to be a fallacy. To take an example literally at random: the Public Utility Commission of Iowa has a budget of just \$8m per annum

to regulate and monitor not only electricity, but also private gas and water companies with a combined turnover of over \$3bn per annum. The regulation has not - as the UK electricity industry seems keen to have us believe - proved an impossible burden upon utility managers; indeed, the opposite is the case.

There is a strong correlation between States where powerful interventionist regulatory authorities operate, and the existence of electric (and gas) utilities which operate efficiently and in the interests of their customers.

And the converse appears to be even more true: weak, hands-off regulation has permitted costly inefficiencies to be the domain of customers and shareholders alike. Ian Brown, Association for the Conservation of Energy, 9 Sherlock House, W1

High earners opt for separate tax

From Mr J. Stansfield. Sir, In the debate generated by your editorial on the taxation of marriage (January 19) it should not be overlooked that in general "high earner" couples already elect to be taxed on their earnings as if each were unmarried individuals, in order to avoid the full impact of the higher rates of tax. Those in this category would not lose out by a change in the tax system which gave every individual

the same non-transferable personal allowance. Such couples could well gain, relative to married couples with smaller earnings, if the resulting savings to the taxpayer were simply redistributed in the form of child or other universal benefit.

I would suggest that any reduction in the married man's tax liability would be accompanied by some form of restriction in the value of personal allowances for individuals in the higher earning category. This would enable savings to be redistributed in the form of universal benefit without undue inequity.

J. Stansfield, 2 Maple Road, Ashford, Surrey

More to education than account books

From Mr Bill Thomley. Sir, Mr Michael Heseltine, chairman of the Inner London Education Authority (January 26) tries to make a point of LEA's "bad" exam results. He should know that LEA's evening classes are packed with adults busily educating or re-educating themselves. The courses they attend are mostly not exam-based. Older people are interested in the pursuit of knowledge, whether it is a foreign language or computer procedure.

LEA provides a superior service. The loss of it could well strengthen the anxieties of those who wonder whether or not there is an element in the Conservative Party which is seriously trying to undermine our traditional values. The Victorians knew there was more to life than the account book. Bill Thomley, 3 Thornhill Grove, NI

The loss of trained women is a cause for concern

From Ms Sarah Blackburn. Sir, Your correspondent, Alan Mackie (January 30), discussed the question of single non-transferable personal allowances in terms of the social consequences of purchased childcare for children and for society.

Despite a parenthetic reference to fathers staying at home to bring up children, the thrust of his argument remained that parents (most of them women) should be encouraged to make the financial and other sacrifices imposed by staying at home to rear their children... releasing jobs for other breadwinners who desperately need them (probably men).

It is questionable to what extent the present tax system affects the reality of decisions about who should bring up children in a family. Where both parents earn similar amounts there is a substantial tax advantage in the mother continuing to earn, the father becoming the unwaged childminder. Strangely enough,

this is a tax advantage that few men, even with wives in professional jobs, have rushed to exploit.

Neither does the absence of tax relief for child care discourage parents from investing in someone responsible to care for the children. A woman's entire after-tax income may have to be spent on wages and household overheads in order to employ a well-qualified nanny.

In both instances the tax relief - or lack of it - cannot outweigh the disadvantages inherent in our employment structure. Anyone who steps off the career ladder, whether to nurture a child or to enrich his or her experience in a more socially acceptable way, sacrifices not only money but also career development in the future.

It costs a firm of chartered accountants about £25,000 (in addition to salary) to train one ACA. 25 per cent of those newly admitted to the Institute of Chartered Accountants in

England and Wales are now female. It costs much more to train a doctor, and 80 per cent of newly qualified doctors are women. Figures for other professions are similar.

If it is socially desirable that parents should do their own child-rearing, then we cannot afford to waste the investment in training by forcing parents, usually mothers, to choose between career and children. The loss of trained women to the business world is a cause of concern.

We should also be concerned that we have created a society in which children are considered undesirable and being a mother is a sign of weakness of intellect and inability to be an effective employee. Can we tell women that only by adopting an aggressively masculine lifestyle may they expect promotion commensurate with their abilities?

Present evidence suggests that, faced with the choice, the highly educated young woman

clings to her career and then, having reached a sufficiently senior position, tries desperately to achieve a pregnancy "before it is too late". Not-so-young professional women through infertility clinics in pursuit of what money and success so often cannot buy. And it is not only a matter of these couples' personal disappointment: we are all denied the talents of children who will never be born to the intelligent women for whom motherhood was predicted by society.

Fiddling with tax policies with respect to marriage will not achieve social ends, although there may be ways of sharing tax burdens more fairly. We need to implement more of the suggestions already in the air to make parenthood, which is never an easy job, a rational choice for people who care about their children as well as about their careers.

Sarah Blackburn, 10 Globe Road, Staines, Middlesex

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FINANCIAL TIMES

Thursday February 4 1988

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Markets hit by B-grade nuclear accident rumour

BY SIMON HOLBERTON IN LONDON

THE RUMOUR of a nuclear accident in the Soviet Union, which swept foreign exchange markets yesterday, had all the qualities of those terrible B-grade movies of the 1950s, with titles like "The return of the son of the fiend who ate Pittsburgh".

It was long on cardboard cut-out horror but short on substance. A tasteless fizzer best forgotten.

Perhaps the most that can be said for it is that, for students of the mysteries of financial markets, it illustrates the sensitivity of foreign exchange markets to the spot news which constantly flashes before it on Reuters and Teletext screens.

In London, the dollar rose

from a low DM1.6790 in early trading to a high of DM1.6905 soon after lunchtime. The rumour began to peter out later in the day and the dollar ended at DM1.6880 - little changed from its close on Tuesday.

As one foreign exchange dealer wryly noted: "If it hadn't been for the return of Chernobyl that we would have had a desperately boring day."

Where the rumour originated is a matter of some conjecture. It had been around foreign exchange markets on Tuesday but was not widely reported.

Yesterday the mid-session foreign exchange reports of the financial news wires attributed the dollar's relative strength to the rumour. Traders were buy-

ing dollars because the US currency was seen as a safe haven, they said.

Reactions to the story from Washington to Vienna to Moscow, and many points in between, ensured that it was kept alive. It was finally killed last night by a terse statement from Tass, the official Soviet newsagency.

"All atomic power stations in the Soviet Union are functioning normally and all stories to the contrary are groundless," it said.

A rumour mill, almost as strong as the one responsible for the nuclear accident chestnut, was working overtime to explain where the story originated. The search for first

causes is a desultory exercise at the best of times, and no less so this time.

In Vienna, the International Atomic Energy Agency (IAEA) said the first time they became aware of the rumour was from a Tokyo Reuters story which said an accident had occurred in a nuclear power plant in Samarkand. Reuters said yesterday it did not move such a story, while the IAEA said the Soviets have no nuclear power in Samarkand anyway.

The Norwegians suggested that the test telex messages between the IAEA and affiliated member states had been intercepted. The IAEA said the last test of its telex system was conducted a week ago, which

would seem to rule out that explanation.

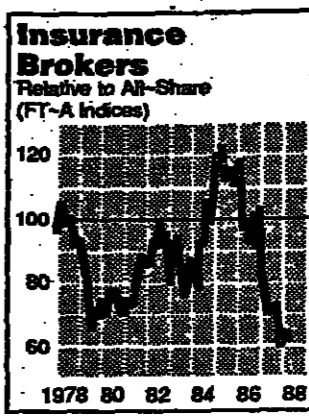
Others said the rumour originated among grain traders in Chicago, who are expected the Soviet Union to come to the international wheat market shortly. But how the rumour became the common currency of foreign exchange dealers in London and the Continent is left unclear.

Suggestions that it was planted in foreign exchange markets for profit were discounted. The movement in the US currency throughout the day and the lacklustre business volumes would suggest that any profits made from yesterday's exercise would have been small.

THE LEX COLUMN

The fine words of the SEC

The odds against official intervention in the US securities industry as a result of the Wall Street crash seem to be lengthening by the day. It is hard to dispute the SEC's contention that the chief problem is volatility, and the chief cause the behaviour of the futures markets. But yesterday's call from the SEC chairman for greater powers over the futures industry, and the prompt rebuttal by the rival Commodity Futures Trading Commission, are a reminder of the tangle of interests which stand in the way of substantial change. If next year sees Nicholas Brady as Treasury Secretary in a Bush administration, it could be another matter; but immediate legislation looks scarcely feasible, and the row over futures could also obstruct self-imposed change in the markets.



Union Discount

Union Discount, one of the great old names in the City money markets, has pushed its profits ahead for the second year running and continues to increase its annual dividend by a respectable amount. Yet its lowly market capitalisation of £100m and a par cent yield attest to the market's belief that this is never going to be a financial growth stock. It is regarded as a straight interest play, whose fortunes are tied to the fluctuations of the gilt market.

Its expansion into non-traditional areas, such as leasing and asset management, should push the contribution from its non-discount house operations above the current 20 per cent level, and its decision to yield low is not far off what luckless Elf said they were worth in the first place. The Tricentral deal will doubtless figure heavily in the defence documents issued in the future by independents under siege, but there is no reason why future bidders should take any notice.

Insurance brokers

For the first time in history, virtually anybody can buy a Lloyd's broker. But one can be forgiven for asking who would want to. The logic of St Paul's bid for Minet, which was given the go-ahead by Lloyd's Council yesterday, still looks fairly solid. But St Paul's strategy of diversifying into broking - the only major underwriter to do so - makes it a bit of an oddball even among US insurers.

The market seems to believe that other bidders will step forward now that Lloyd's has relaxed the rules on who takes over whom - indeed, it is difficult to see what is supporting share prices in the sector apart from bid speculation. But in the case of the two largest brokers, Sedgwick and Willis Faber, there is plenty to deter potential suitors. Sedgwick's pre-tax profits are expected to halve in 1988, and even its present forecast p/e of 30 requires a major leap of faith. And at Willis Faber, the legacy of the troubled merger with Stewart Wrightson looks a serious burden. In any case, most of the price paid for a Lloyd's broker, as for any people business, would go on goodwill; and as Willis Faber learned to its cost, goodwill has a habit of walking out the door.

First Boston

The abrupt departure of the top members of First Boston's mergers and acquisition team is an extreme example of the personal tensions which are lurking just beneath the surface of many securities firms in the aftermath of last October's stock market crash. Messrs Wasserstein and Perella probably brought in around three quarters of First Boston's depressed profits last year and had been its top money spinners for several years. So when the other side of First Boston's business started producing some nasty losses, they began to question why so much of the firm's capital was being deployed in marginally profitable trading activities, when it could be used to help finance their extremely profitable merchant banking business. These sort of debates can prove divisive in even the best run firms and in First Boston's case it was tearing the company apart. While painful, First Boston was probably right to let them go rather than bow to their demands.

Sri Lanka has little cause for celebration on its 40th birthday, reports Mervyn De Silva from Colombo

Island paradise ravaged by racial tensions

SRI LANKA celebrates its 40th year of independence today. It is not a happy birthday. A potential island paradise, it is rent by violent racial divisions, and its proud soil is host to a huge number of soldiers from the Big Brother regional power of India.

Its recent past has been a nightmare; its troubled present a world away from the bright promise of the first few decades of freedom.

"What of the future?" was the dominant question on the eve of the anniversary. And the answer? "God only knows," according to Mr Kumar Ponnambalam, the Tamil Congress leader, whose father founded the party in the early 1940s. Its main slogan then was "Fifty-Fifty" meaning balanced Sinhalese-Tamil representation in the state council, although the minority Tamils comprise only 16 per cent of the population. After independence, the party leader settled for much less - and a portfolio.



Indian troops hold captive two Tamil Tigers arrested in the island's eastern province

Mr Ponnambalam Jr protests bitterly that the Tamils of the north, battered by the Sri Lankan army for six years, have suffered six months of the Indian peacekeeping force, which is accused regularly of barbaric behaviour, including rape.

The Duke of Gloucester arrived in Colombo to preside over the transfer of power by the British on February 4, 1948. Ceylon had been tutored carefully for self-government and democracy, as Queen Elizabeth noted at the 50th anniversary celebrations in 1981 of the introduction of the universal franchise - long before women in some parts of Europe gained the vote. Ceylon was, as its first native governor-general observed, "the model colony and Britain's best bet."

The Sinhalese comprise 75 per cent of the population. They are mainly Buddhists, and pray to Hindu gods but really trust their astrologers. Local newspapers have cheerfully announced that Jupiter, Sri Lanka's zodiac sign, has moved into Aries, a harbinger of happier times.

"But JR is also a Jupiter," bemoans a supporter of Mrs Sirimavo Bandaranaike's opposition party, alluding to President Junius R. Jayawardene, the 51-year-old embattled patriarch who apparently makes frequent reference to his horoscope these days.

He is very much in command

of his ruling United National Party, but his regime, demoralised and divided, is under siege by Sinhalese revivalist forces who accuse him of a sell-out to the separatist Tamils and a surrender of sovereignty to India.

These Sinhalese were infuriated by the peace accord signed by President Jayawardene and Mr Rajiv Gandhi, Prime Minister of India, last year to try to bring the ethnic strife to an end. The opposition, led by Mrs Bandaranaike, the Sinhalese intelligentsia and the monks, finds its most extreme expression through violence unleashed by the outlawed JVP party which has strong support

in the south of the island, the scene of growing insurgency on a pattern ominously similar to that of the minority Tamil Tiger separatists in the north.

Alarm at the most recent political developments reached a crescendo recently when Mr Rouse de Mel, the world's longest-serving finance minister, resigned. His international reputation had enabled him to secure aid and funding during Sri Lanka's most violent and perilous years. He was angered by the repressive measures used by the Government's "special task force" and by the work of "the green tigers," a band of UNP vigilantes. He also

objected to the cavalier approach to elections under the 1978 constitution having been amended already no fewer than 18 times.

Mr Ranasinghe Premadasa, the Prime Minister, who opposes the test telex messages on television this week explaining the significance of Sri Lanka's "lion flag" which he said symbolised national harmony. This was remarkably insensitive, since it, in fact, represents the opposite to the minorities. It is from the word "Sinhala" (Hion) that the Sinhalese derive their name.

Ten years ago it was clear that Sri Lanka was failing to cement a democratic multi-ethnic society. Minority Tamil grievances over language, university places, employment discrimination and colonisation were resulting in growing demand for a separate "Eelam" state. Far from responding constructively to the strength of Tamil feeling or granting partial devolution, the UNP took a line typical throughout the Third World: it consolidated its power. It stripped Mrs Bandaranaike of her political rights, postponed elections, smashed the unions and suppressed dissent.

The rationale was rapid economic progress, and this was achieved, sometimes spectacularly. But it was being increasingly undermined by racial disharmony which exploded in 1983 with Sinhalese anti-Tamil riots. The violence prompted a Tamil exodus, the crumbling of democratic and economic structures - which continues to this day.

Today crowds will gather in Colombo for a parade of 12,000 security officials on the look out for terrorist bombers. Tamil or Sinhalese? "Both," said a counter-subversion official.

Australian media deal collapses

BY CHRIS SHERWELL IN SYDNEY AND DAVID THOMAS IN LONDON

A BATTLE for control of the Australian Financial Review, Australia's leading business daily newspaper, seems likely following the collapse of the planned A\$320m (\$227.8m) purchase of the title and two other publications by Mr Robert Holmes a Court's Bell Group from Fairfax, the Sydney-based media company.

Pearson, owner of the Financial Times, is among at least three groups expected to show interest in buying the paper.

The unexpected collapse of the deal, which was called off by mutual consent, refers to plans by Bell and Pearson to form a joint venture to own the Review, leaving the way clear for Pearson to negotiate directly with Fairfax.

Mr Frank Barlow, chief executive of the Financial Times, said last night that Fairfax had already been told of the FT's interest in acquiring 50-75 per cent of the Australian paper, with the rest held by an Australian partner.

Other parties that might be interested in the Fairfax assets include Mr Robert Maxwell's Maxwell Communications, Mr Rupert Murdoch's News Corporation and Dow Jones of the US, publisher of the Wall Street Journal.

Maxwell Communications and News Corporation refused to comment yesterday, but a British newspaper group other than

Pearson is understood to be sending a team to Australia to open discussions with Fairfax.

Under the original contract, Fairfax was to sell the Review, the Times on Sunday and the daily New Zealand National Business Review, as well as the Macquarie Radio network and a significant shareholding in Australian Newsprint Mills, to Mr Holmes a Court for A\$475m.

This price was agreed in September, before the share market collapse, and was regarded by the market as high. Mr Holmes a Court subsequently exercised an option to hand the radio network back to Fairfax for A\$158m.

The sale of the papers was one of a number of asset disposals arranged by Fairfax to help pay off borrowings of A\$1.8bn. These were used to fund a successful A\$2.55bn bid by Mr Warwick Fairfax to take the company into private hands.

Fairfax said that three major media companies had been anxious to buy the Review in the event of the Bell deal not going ahead, and the company would be considering whether it could retain all or part of the Review and the other two newspapers in the Bell package.

Whitlam Turnbull, Fairfax's financial adviser, said the termination had "considerably improved the financial position" of the Fairfax group.

Bonn 'buys' release of dissidents

By Leslie Coffit and David Marsh

WEST GERMANY is believed to be paying for the release of the East German civil rights campaigners arrested last month.

Four were sent to the West on Tuesday - a move supporters denounced as "expulsion." One of the four, Mr Stephan Krawczyk, said yesterday that he did not leave of his own free will, that he and his wife faced sentences of between two and 12 years. Because of this distress, they had agreed to leave.

Mr Wolfgang Vogel, a top East German lawyer who has arranged East-West spy swaps, said that all 20 of the recently arrested dissidents would be free by the weekend, "whether or not they wanted to remain in East Germany."

A leading West Berlin newspaper, Der Tagespiegel, said the arrangement between Mr Vogel and Mr Hans Reihlinger, the West German State Secretary for Inner German relations, involved payments for the dissidents' release to West Germany.

The Bonn Government is believed to have been paying East Germany for the release of more than 1,000 political prisoners a year.

Picture, Page 2

Business running out of sparkle

Continued from Page 1

The results were the worst since the 1980s began.

Much of the Perella and Wasserstein fee income vanished to cover losses on securities trading. First Boston's traders lost perhaps \$100m on trading new-fangled debt securities when the bond market fell in the second quarter, and then more than \$50m from betting on takeover stocks when the stock market tumbled.

The losses were unusual. But, in the tense, post-crash atmosphere, a long-running dispute between Mr Wasserstein and Mr Peter Buchanan, First Boston's chief executive, came to a head. The dispute was about policy. Mr Buchanan, who is former stock trader, and Mr Alvin Shoemaker, chairman, wanted the firm to be "balanced," to offer services, including stock and bond trading and including the successful Eurobond operation with Credit Suisse. Mr Wasserstein wanted greater emphasis on mergers and acquisitions and on the risky, capital-intensive takeover business, known in the US as "merchant banking" which he pioneered with Campeau and Allied Stores.

Mr Buchanan ordered a strategic review of the firm's direction, and, last month, added new responsibilities to the investment banking group, as a result. But he rejected a change in direction. The presence of Mr Perella and Mr Wasserstein

snapped, and they resigned.

Their new firm, Wasserstein, Perella & Co, will be a "custom tailored" operation, specialising in merchant banking. It is given good chances of prospering.

These are highly visible individuals with a success out of contacts," says Mr Long. "They have enough capital of their own for regular M & A business. For merchant banking, they can raise money on a syndicated basis."

For First Boston, the loss is painful. The company moved quickly to announce new co-heads of investment banking in Mr James Maher and Mr Richard Bott. But the defectors have taken their friends with them, including Mr Bill Lambert, who made a success out of "cold calling" companies with merger ideas. For this reason, and because he used to loaf around the bank in jeans, looking like an ad-man, Mr Lambert is known as "creative director of mergers."

Mr Charles Wood, co-head of mergers, had also jumped ship and others are expected to follow. But there could be benefits for First Boston in their loss.

It gives First Boston the opportunity to reform the direction of the company as Buchanan and Shoemaker want it, moving more aggressively into investment banking but keeping a major presence in securities, Mr Long said.

World Weather

City	Temp	Wind	Cloud	Humid	Pres
London	12	10	10	75	1015
Paris	10	12	10	70	1012
Brussels	11	11	10	70	1012
Amsterdam	11	11	10	70	1012
Frankfurt	11	11	10	70	1012
Berlin	11	11	10	70	1012
Munich	11	11	10	70	1012
Zurich	11	11	10	70	1012
Geneva	11	11	10	70	1012
Basel	11	11	10	70	1012
Stockholm	11	11	10	70	1012
Copenhagen	11	11	10	70	1012
Helsinki	11	11	10	70	1012
Oslo	11	11	10	70	1012
Stockholm	11	11	10	70	1012
Copenhagen	11	11	10	70	1012
Helsinki	11	11	10	70	1012
Oslo	11	11	10	70	1012
Stockholm	11	11	10	70	1012
Copenhagen	11	11	10	70	1012
Helsinki	11	11	10	70	1012
Oslo	11	11	10	70	1012

Exit Taiwan's old politicians

Continued from Page 1

ceded in bringing enough internal and external pressure to see Mr Lee named acting chairman of the party as well as head of government.

The announcement on Wednesday did not specify details such as how many new seats would be added from Taiwan. But party officials have said privately that these details would soon be worked out.

But party officials have said privately that these details would be worked out in the near future.

UK electricity shake-up

Continued from Page 1

be given a seat on the board and the grid and a management contract, but it will be denied control.

The whole industry will be overseen by an Office of Regulation, which will be given substantially greater powers than those accorded to Ofgas, the regulator for the gas industry.

The regulator will supervise and bond regulate contracts to ensure that competing power companies have equal access to the transmission grid and will generally regulate contracts between generating companies and the distribution companies. The regulator is also likely to

be given powers to ensure that enough new power stations are built.

Last night, the Electricity Council, the supreme body for the industry in England and Wales, said that Sir Philip Jones, the chairman, had not yet been informed of the Government's decision.

The electricity board would make no comment but it is likely to be highly displeased.

The scheme will be announced at the end of the month or early in March. Department of Energy officials are anxious to draft legislation to be put to Parliament by the end of this year.

صكرا من الاصل

INTERNATIONAL APPOINTMENTS

McDonnell Douglas to have new chairman

MCDONNELL Douglas, a leading producer of military and commercial aircraft, is to have a new chairman and chief executive officer from March 2 when Mr Sanford N. McDonnell retires from these positions. His successor is Mr John P. McDonnell, 49, who has been president of the corporation since 1980, became chief operating officer last July, and will retain the title of president. Sanford McDonnell, 65 last October, joined McDonnell Aircraft in 1948 - well before the 1967 merger with Douglas Aircraft - and will continue after his retirement to serve as a director of the board. He was named president in 1971, CEO the next year, and elected

chairman in 1980 upon the death of Mr James S. McDonnell, his uncle and McDonnell Douglas founder. He said: "Frankly, I feel vigorous enough to continue working full-time for several more years, but I have long believed that no-one should remain in the top position at a major corporation much beyond the age of 65. I have really enjoyed my years as chairman and CEO, and it is a particular pleasure to be able to retire at a time when the corporation is in great shape - a fact for which I thank my thousands of hard-working and creative McDonnell Douglas teammates."

"I am also pleased to leave behind a successor as capable and as well qualified as John McDonnell, a great executive." As chairman, Sanford McDonnell has introduced new management techniques to the company, and has been a vigorous champion of five principles that he named the Five Keys to Self-renewal: strategic management, human resource management, participative management, quality/productivity, and ethical decision-making. John McDonnell, a son of the founder, joined McDonnell Aircraft in 1962 as a strength engineer and progressed through various senior positions to become executive vice-president of the corporation in 1977.

Texas Air subsidiary names president

CONTINENTAL Airlines, a unit of Texas Air, the largest US airline group, announced the election of Mr Martin Shugrue Jr as Continental president. Mr Shugrue, 47, was formerly vice-chairman and chief operating officer of Pan Am, the troubled US international airline. Two weeks ago, Mr Shugrue, along with Mr C. Edward Acker, who was chairman and chief executive of Pan Am, were ousted by the company in a boardroom shake-up, expected to be followed shortly by a Pan Am financial restructuring package. Union leaders had made their removal a key condition of negotiating pay concessions with the airline's board. Mr Thomas Fitzkett, 44, former president and CEO of Continental who resigned last summer after the Texas Air board decided that a change of leadership at Continental was needed, was given the helm at Pan Am as Mr Acker and Mr Shugrue departed. He has been elected chairman, president and chief executive officer of both Pan Am and its principal airline subsidiary, Pan American World Airways.

New leadership for Petronas oil group

BY WONG SULONG IN KUALA LUMPUR

IN A major reshuffle at Petronas, the Malaysian national oil corporation, Tan Sri Basir Ismail has been appointed to head the company. He is executive chairman of Bank Bumiputra, which is 90 per cent-owned by Petronas, and a confidante of Dr Mahathir Mohamed, the country's Prime Minister. Tan Sri Azizan Bin Zainal Abidin, Secretary General of the Home Affairs Ministry, is to become the new Petronas president and chief executive. They will respectively replace Raja Mohar Badiosaman as chairman, and Tan Sri Abdullah Salleh, whose terms have expired. The appointments take effect from February 10. Tan Sri Basir, 60, started as an agronomist with the Agriculture Department, and made his mark as general manager of the Johore State Economic Development Corporation in the 1970s. He became chairman of Bank Bumiputra in 1984 following its

takeover by Petronas, which injected more than US\$1bn to save the bank from bankruptcy arising from bad loans given to Hong Kong property speculators. Tan Sri Azizan, 52, is a career civil servant who has served three prime ministers, including Dr Mahathir, as principal private secretary. He was on the Petronas board during 1984 and 1985, when he was Secretary General of the Ministry of Trade and Industry. Raja Mohar, 65, said that he will remain as special economic adviser to the Prime Minister for another year, and will retain his chairmanship of Malaysian Airlines, the Foreign Investment Committee, and the Takeover and Mergers Panel. Malaysian exports of crude oil for 1988 are expected to increase by 9.3 per cent to 540,000 barrels daily, while exports of liquid natural gas are expected to rise by 8.6 per cent to 6.3m tonnes.

CBS FINANCIAL CONTROL

W. London £25,000 neg. CBS/Fox Video Ltd, arguably the most influential Video company in the UK, manufactures, markets, distributes and sells high quality pre-recorded programmes. The duplication plant is one of the most technically advanced in Europe. The appointee, reporting to the Financial Director will assume total responsibility for the Finance department, production of data, forecasts and budgets, whilst maintaining a constant review of systems. Candidates in their late 20s to early 30s, must be fully qualified, possess good levels of communication and management skills; capable of operating successfully in an exciting, fast moving environment, requiring occasional travel within the UK and Europe. The total package includes a prestige car and other attractive benefits, normally associated with a company of the highest calibre. Please write to, or telephone Henry Pratt who has been retained to advise on this appointment.

BARCLAYS EXECUTIVE APPOINTMENTS
Morritt House, 58 Station Approach, South Ruislip, Middx. HA4 6SA.
Telephone: 01-842 1216 (24 hours)/01-842 0676.
BARCLAYS

Retail units at Hudson's Bay have change of presidents

HUDSON'S BAY, Canada's oldest and one of its largest enterprises, with holdings in merchandising, property and natural resources, has made presidential changes at its three major retail subsidiaries. Mr George J. Kovich, the group's president and chief operating officer, has announced the retirement of Mr C.W. Evans as president of the Bay subsidiary. He said that Mr Evans had requested and been

granted early retirement with effect from February 1, having had a productive 36-year career with the group, including nine years as president of the Bay. The vacancy thus created has been filled by the following appointments: Mr N.E. Peter, who was president of Simpsons and prior to that vice-president, stores, at the Bay, has succeeded Mr Evans as Bay president. Mr D.K. Thomson, previously president of Zellers, has

become Simpsons' president; Mr H.J. Zavadi has been promoted from the post of vice-president, stores, at Zellers, to replace Mr Thomson as its president. Mr Kovich said that because of their short tenures in their previous positions, he regretted having to move all three appointees. But he expressed confidence that the pace of improvements in the group's retail operations will be accelerated by the new presidents.

US moves at Ultramar

THE UK-domiciled independent oil group Ultramar has appointed Mr Peter L. Raven, who is the finance director of Ultramar PLC, president of American Ultramar, the New York-based operating subsidiary responsible for co-ordination of the group's worldwide activities.

Mr Eugene K. O'Shea, also a director of the UK parent, has been made executive vice-president of the American unit, and chief administrative officer. Mr Raven is replacing Mr Dale Austin, 62, who is retiring. Mr O'Shea is taking over from Mr Raven in the position of executive vice-president.

Accountancy Appointments

GROUP FINANCE DIRECTOR

Yorkshire-based plc

Our client is a recently restructured and rapidly expanding Yorkshire-based public group in the engineering sector. Turnover is in excess of £25m and the group is growing both organically and by acquisition. Rapid development has identified the key resource need of a group finance director to join the small group board and provide a further strategic dimension.

The position is key to the group's expansion plans and will be expected to contribute to their successful achievement. Candidates, probably in their thirties or early forties, will show a record of success in a growing and well-managed company. The position demands an energetic and assertive individual with a creative intellect who can contribute towards and evaluate strategic alternatives for the business. The establishment and maintenance of positive relations with external advisers and the city are important as is the ability to manage a new young team.

c. £40,000 + benefits

Applicants must be chartered accountants who are able to show that their personal qualities meet the requirements of the job and are matched by well-rounded technical skills gained in a commercially demanding environment. We will seek evidence of measurable attainment and real contribution to a successful management team ideally with profit responsibility for businesses in Europe and the US.

The remuneration will be negotiable around £40,000 and will include the usual executive fringe benefits; future earnings potential is governed entirely by performance.

If you feel able to rise to the challenge which this position presents and you can show that your personal presence and record of achievement merit an interview please write, in confidence, enclosing a full curriculum vitae to David Bannister, Executive Selection Division, quoting reference number L/818.

Corporate Finance and Investigations High Profile Roles For Young ACA's

Manchester

Excellent salary + benefits package

The continued rapid expansion of Spicer and Pegler (now Spicer & Oppenheim) in the North West has created additional opportunities for Chartered Accountants who qualified within the last two years to join an established but dynamic corporate finance and investigations team. With ambitious plans for growth, a diverse client portfolio and our reputation for commerciality and professionalism we seek from candidates:

- A high level of technical and commercial ability
- Self motivation and aspirations to manager and beyond
- A successful track record to date

If you have trained with a top fifteen firm, are looking to develop your experience in corporate finance and investigations and wish to make the most of an outstanding career opportunity then please send your full curriculum vitae including salary details in strict confidence to: Graham McInnes, Spicer & Oppenheim, Chartered Accountants, 12 Booth Street, Manchester M60 2ED



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CONTROLLER - FINANCE

Dynamic Environment for Commercial Accountant

Age 28 - 35

Flex c. £35,000 plus car

Our client is the UK marketing, sales and distribution operation of a household name fast moving consumer products company, operating within the leisure/entertainment sector. With a turnover exceeding £100 million, this operation is a key constituent of a highly international product division, itself part of a major diverse UK group with turnover exceeding £3 billion.

A young, dynamic and commercially minded qualified accountant is sought for the newly created position of Controller of Finance, acting as deputy and alternate to the Finance Director.

With overall responsibility for the Finance Division, including a staff of 60 covering four departments, your function will embrace the provision of sound financial controls and management information to marketing divisions, exercising control over working capital (including cash and inventory), credit control, ad hoc project work, co-ordination of the monthly management

accounting process and controlling the half-yearly and annual statutory accounting requirements.

You will need to be computer-literate, a good communicator and motivator at all levels and across all functions with a demonstrated ability to manage people and to contribute to the development of management information systems.

This high profile appointment offers an excellent introduction to the Company's business and you can expect rapid promotion to Finance Director, either in this operating unit or within another operation. For the right candidate, opportunities also exist to advance within the wider Group.

You should in the first instance write to Harry Chryssaphes, Director, enclosing a recent resume and current salary details together with daytime/evening telephone numbers, at: FMS, 14 Cork Street, London W1X 1PF.



FMS

Search and Selection Specialists for Financial Management

GROUP MANAGEMENT ACCOUNTANT

Cotswolds c.£20,000 + Car + Benefits

Our clients are recognised world leaders in the manufacture and marketing of energy control systems. The group's consistent record of trading profit growth has been achieved through a determined policy of geographical expansion complemented by the further development of their existing product range. To maintain this enviable market position they are seeking to expand both organically and through acquisition. They now wish to recruit a Group Management Accountant to assist in the identification and evaluation of suitable businesses in the UK and overseas for acquisition purposes. The role will also include monitoring and reporting on monthly results of existing business and the preparation of cashflows and trading statements. As a member of a small head office team this high profile role will afford

considerable exposure to senior management and the main board. Candidates should be graduates and qualified accountants, able to demonstrate commercial awareness as well as sound technical skills. Previous experience of acquisitions and investigations and knowledge of the manufacturing sector would be most relevant. Excellent interpersonal skills, maturity and confidence are essential to gain the respect and co-operation of colleagues and to ensure success in the role. Full relocation expenses to this attractive part of England will be offered where appropriate. Please reply in confidence, giving full career details and quoting reference S7749, to Joanna Corr.

KPMG Peat Marwick McLintock

Executive Selection and Search 9 Creed Lane, London EC4V 5BR.

Head up a new business area

Kent Coast c £30,000 + company car

Our client is a wholly owned subsidiary of an international financial services company, which is one of the largest groups of its kind in Europe, having assets in excess of £12,000m.

Reporting directly to the company's Chief Executive, your primary responsibility will be to create and run an audit function, including establishing a philosophy and methodology for the department.

You must be a qualified accountant, with substantial audit experience. You must also possess good negotiating skills and be able to communicate with Senior Management.

Interested applicants should write in strict confidence to Peter Green, enclosing a current CV, at Douglas Llambias Associates, 410 Strand, London WC2R 0NS, quoting reference number 8391.



FINANCIAL & MANAGEMENT RECRUITMENT CONSULTANTS DOUGLAS LLAMBIAS

LONDON · BIRMINGHAM · LIVERPOOL · MANCHESTER · ABERDEEN · EDINBURGH · GLASGOW DOUGLAS LLAMBIAS ASSOCIATES LIMITED, 410 STRAND, LONDON WC2R 0NS TELEPHONE: 01-836 9501

Special Projects & Investigations

ACMA
To £22,000 + Car

This is a high profile position which will complete a small elite, multidisciplinary team within the headquarters of a major division of a £2 billion international engineering group. The team is responsible for high priority and occasionally sensitive projects particularly focused on investments, systems development, strategic planning tasks and product and project financial analysis/evaluation.

Applicants should be innovative ICMA members with sound commercial judgement, experience of manufacturing/reporting systems and complex evaluations gained within a substantial manufacturing environment. Interpersonal skills and the resilience to see a project through coupled with high standards of written and oral presentation are essential. Some overseas travel may be involved.

Recognised as a fast track appointment, success will lead to opportunities for advancement to some of the key line roles in the organisation. Age guideline late 20's to early 30's. Base location West London. Relocation assistance available if necessary.

Please apply in confidence quoting ref E110 to:

Adrian Edgell
Mason & Nurse Associates
5a Stratton Road, Egham
Surrey TW20 9LD, Tel: 0784 71255
Offices in London, Birmingham and Egham.

Mason & Nurse
Selection & Search

MAJOR TOUR OPERATOR (London based)

Requires young ambitious accountants (23 - 30), seeking a demanding and challenging role with the opportunity to work with one of today's most sophisticated computer systems.

FINANCE MANAGER c£20,500

Responsible for all accounting aspects of the overseas operation.

INTERNAL AUDIT MANAGER c£20,500

Frequent travel both abroad and in the UK.

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To develop and improve pricing procedures.

CURRENCY REQUIREMENTS ACCT c£15,000

Part qualified accountant with insight to revise currency procedures.

Benefits include:

- Generous Holiday Concessions
- 25 days holiday

Please call Nadia Misonic, Meridian Associates Ltd (Rec Cons)

01 255 1553.

HEAD OF FINANCE

City £35,000 to £40,000

Our client is a well established, City firm of solicitors. It has experienced significant growth in recent years which it plans to continue. The partnership is relatively youthful, decidedly "unstuffy" and is peopled with high-calibre, energetic, enthusiastic, but courteous, individuals.

We are seeking a Head of Finance to assume responsibility for all financial and management accounting matters, for computer systems, taxation and general financial administration.

The role is a demanding one in a busy, high pressure environment and the ability to prioritise a wide range of issues is essential. Candidates should be qualified accountants, preferably chartered, with sound technical ability, a strong participative management style and first class verbal and written communication skills.

Please write in confidence with full career details, quoting ref. W3808, to Valerie Fairbank.

KPMG Peat Marwick McLintock

Executive Selection and Search
9 Creed Lane, London EC4 5BR

Could you account for our performance?

Conoco is a world leader in the oil industry. One of the most successful divisions within this multi-national corporation is Conoco Limited, the UK refining, marketing and distribution subsidiary which markets Jet and Conoco brands throughout Britain.

One of the keys to our success is first-class business planning and evaluation. We are now aiming to strengthen this area and require the following high-calibre individuals.

Co-ordinator, Management Information
c. £23,000

A qualified accountant (ACMA/ACA) you will possess sound analytical skills and extensive spreadsheet software experience. You will co-ordinate the preparation, and analysis of management reports, to evaluate company performance. Regular liaison with senior management means that you will have a high profile and, therefore, need good interpersonal skills.

Senior Analyst, Management Information
c. £16,000

This is an ideal role for a part-qualified accountant (CIMA stage 3 or ICA student pursuing PEI), with experience of forecasting and analysis, making extensive use of spreadsheet software. Assisting with the preparation of regular forecasts and results, you will gain valuable in-depth experience of business evaluations.

In a pressurised and constantly changing environment, these jobs offer opportunities for career development in an international organisation.

So, does your performance match ours? If it does, write with cv to Jean Dho, Employee Relations Division, Conoco Limited, Conoco House, 230 Blackfriars Road, London SE1 8NR.



Conoco is a subsidiary of the Du Pont Organisation.

Accountancy Personnel

Placing Accountants First

For your personal invitation telephone 0800 622 118 or contact

Manchester Office
49 King Street
Manchester
061 834 9733

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ACCOUNTANTS CAREERS FAIR (NORTH WEST) 1988

This is your chance to attend the first North West Accountants Career Fair. Whether you are considering your next career move or simply keeping in touch with your market place, this is a unique opportunity to meet and talk over a glass of wine, to some of the country's most prestigious organisations. Admission is free to party and fully Qualified Accountants aged under 32 and represents an excellent forum to gain impartial information and advice in an informal environment. CALL IN ANYTIME BETWEEN 5pm and 8pm on WEDNESDAY 10th FEBRUARY. The venue is:-The Stanley Suite HOLIDAY INN CROWNE PLAZA MIDLAND HOTEL Manchester. You can meet:

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SCOTLAND'S CAPITAL

Edinburgh To £20,000 + Car
Not just another number crunching role. Take on all the responsibilities of a Plant Accountant and be part of this company's senior management team demonstrating the effective contribution you can make to running a successful business.

Your manufacturing background, full qualification and commercial flair, together with proven staff management skills will receive full recognition and reward within this fast moving consumer goods environment.

The client, a major subsidiary of a large plc, offers genuine career progression prospects for the ambitious and successful candidate. Relocation assistance available. Contact our Edinburgh office today.

For further details, please contact:
Accountancy Personnel
113715 George Street,
Edinburgh,
Scotland, EH2 4JN
Tel: 031 226 2280

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INNOVATOR

Birmingham c£20,000 + Car

Astra Trust Plc is a highly successful industrial based company presently diversifying into financial services. This highly acquisitive Plc possesses a dynamic management team to support its expansion drive.

The company's aspirations necessitate the creation of a new managerial role with full responsibility for innovation and standardisation of group systems. The post involves a wide variety of investigations including many relating to acquisitions.

This is an ideal opportunity for an energetic self starter who will thrive in a challenging environment.

For further details, please contact:
Accountancy Personnel
14 Temple Street,
Birmingham B2 5BQ
Tel: 021 643 6201

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CARIBBEAN BLUES

US\$50,000 Tax Free Package + Benefits

In the heart of the Caribbean lies the flagship of this Hotel leisure group, currently seeking a young, dynamic and commercially-aware qualified accountant for an executive role.

As financial controller, you will take full control of the complete accounting function including systems development, reporting directly to the board.

Benefits are obvious. A tax free salary, free accommodation, a profit related bonus and luxurious working environment.

Contact the Manager,
Accountancy Personnel
70 Watling Street,
London EC4M 4DD
or phone: 01-236 0657

Immediate Opportunities in Financial Management for recent graduates

Following a period of rapid expansion and considerable takeover activity in the U.K. and overseas, the demand for financial management has grown so fast that Guinness is now establishing a Group-wide training scheme for the next generation of financial managers.

The scheme is being designed to provide graduates with hands-on working experience in both the spirits and brewing businesses and also a study programme leading to membership of The Chartered Institute of Management Accountants.

Immediate opportunities are now being offered to graduates with strong analytical skills who have already commenced their career and seek a greater challenge in a more exciting environment.

To apply, please write setting out the information about yourself that you think we need, and saying why you think you are suitable, to:

Geoff Gaines, Head of Group Management Development, Guinness PLC, 39 Portman Square, London W1H 1HB. Telephone: 01-486 0288. Closing date: 19th February.

GUINNESS PLC

COUNTY NATWEST

Regional Director

Financial Services

Manchester

Not Less Than £40,000

Excluding Bonus,

Executive Car,

Banking Benefits

County NatWest, an expanding Investment Bank providing a range of merchant banking and other services to private companies and plc's seeks a Regional Director to develop further an established and successful operation. The main product areas include Corporate Advice (such as acquisitions, disposals and flotations) Venture and Development Capital and Loan Business. The appointee will have responsibility for teams of professionals and for controlling and managing the office as a profit centre. Candidates aged over 35, would probably be an FCA, MBA or have a similar qualification with sound local contacts and relevant experience in a merchant bank, stockbroker or large firm of chartered accountants. Specific experience in Venture Capital and stockmarket related work such as takeovers and USM/Full listings would be helpful. Career prospects are excellent and there is a realistic relocation package.

R.A. Flude, Ref: M15025/FT. Male or female candidates should telephone in confidence for a Personal History Form, 061-832 3500, Hoggett Bowers plc, St. James's Court, 30 Brown Street, MANCHESTER, M2 2JF.

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A MEMBER OF BLUE ARROW PLC

Financial Director

Retail
West of Scotland based

Salary/
Benefits Package
c. £70,000

What Everyone Wants Ltd. is Scotland's largest and most successful discount retail departmental store group with an estimated turnover of £60M in 1988.

It is currently a privately owned, profitable and firmly established company which is now poised for a rapid expansion programme throughout the U.K.

The appointment is regarded by the Board as a vital and important step in its plans for both internal and external development.

The successful candidate must be experienced in senior financial matters, yet able to liaise with a young team of Executives. Equally important is ambition and a desire to be in the top earnings bracket of their profession.

The package includes a high salary — excellent profit sharing bonus scheme — Executive car — B.U.P.A. membership etc.

Please apply enclosing a detailed CV to:

Mr. M. R. Rigby, Managing Director,
What Everyone Wants Ltd.,
295 Springfield Road, Glasgow G40 3HZ.



GROUP FINANCIAL APPOINTMENTS

ELAN is a rapidly growing distribution company operating throughout Europe. Due to expansion and the increasing information demands of the business, the company is seeking to recruit qualified accountants for the following positions in the Heston based offices near the junction of the M3/M25.

Financial Controller £25 — 30k + Car
Fully responsible for the provision of consolidated management and financial information to tight deadlines, cash management and planning and the maintenance of corporate policy and accounting procedures.

Management Accountant £18 — 25k + Car
Responsible for the evaluation of performance of all European entities by detailed analysis and interpretation of periodic management accounts, statistical statements and cash plans.

Financial Accountant £18 — 25k + Car
Responsible for the provision of quarterly financial accounts for each European entity, detailed control over capital commitments, project appraisal and audit.

All candidates should have excellent interpretive skills, be accustomed to working to tight deadlines and be able to manage change in a fast moving commercial environment.

Applications should be forwarded to:
The Human Resources Manager, ELAN International Ltd,
Park Lane, Castle Vale, BIRMINGHAM B35 6LH.



سكزا من الاربعين

Handwritten note: 40110110

Financial director

West Sussex c.£35,000 + car



A market leader in the design, development and production of customised office infrastructure systems this go ahead and profitable company has rapidly expanded to a turnover of £14m a year. Further growth and other strategic developments are planned.

To cope with these changes and strengthen the management team, a first rate Financial Director is required to impose stringent financial and business disciplines and to assist the Managing Director in steering the company to even greater success. An immediate task will be to develop vital costing and information systems.

A qualified accountant, aged about 35, with a significantly successful commercial track record in industry is required. Key personal qualities include the ability to deliver pragmatic and straight forward solutions to problems.

Résumés, including a daytime telephone number should be sent to Chris Haworth, quoting Ref: CH805.

Coopers & Lybrand Executive Selection

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Shelley House 3 Noble Street
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APPOINTMENTS ADVERTISING

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FINANCIAL CONTROLLER

Publishing and Retail Group

London to £28,000 plus car

An opportunity has arisen for a young, graduate chartered accountant to join a quoted fine art, publishing and retail group growing rapidly organically and through acquisition in the UK and internationally. Two recent acquisitions have increased turnover by more than 100%, strengthened product range and broadened distribution.

The role requires a candidate who has gained some post qualification experience either commercially or with a major professional firm. Responsibilities will

encompass all financial accounting and management reporting, the ongoing development of systems and the company secretarial function.

This is a challenging and stimulating opening in a commercially vibrant environment offering excellent career opportunities to a confident, enthusiastic individual.

Please write in confidence with full career details, quoting reference C7420, to Valerie Fairbank.



Peat Marwick McLintock

Executive Selection & Search
9 Creed Lane, London EC4V 5BR

SENIOR TAX ADVISOR

City Solicitors from £30,000 + car

Our clients are a well established 20 partner legal practice. They have grown and flourished through the emphasis they place on professionalism, sound yet commercially imaginative legal advice and a positive interest in the success of their clients' business activities.

In order to maintain and enhance their already high standards, they now wish to appoint a tax specialist to act as an in-house advisor providing the partners with tax, technical and consultancy support, particularly in the service of clients in the commercial and property sectors.

This is a high profile appointment, which offers a very varied spread of work. It is non-routine, deals with complex and substantial transactions and provides scope for the successful candidate to develop and

shape the role to meet the future demands of the practice.

Applicants should be young ACAs or ATTIs of graduate calibre whose qualification is supported by broadly based tax knowledge and several years sound corporate tax experience, gained in a professional firm or possibly in the Inland Revenue. They should also be able to demonstrate qualities of self-motivation, flexibility and authority as well as strong written and oral communication skills.

This appointment carries with it an attractive negotiable benefits package and genuine prospects for career growth.

Applicants should write enclosing a full CV including salary details and quoting reference B8281 to Paul Carvosso.

KPMG Peat Marwick McLintock

Executive Selection and Search
9 Creed Lane, London, EC4V 5BR

SYSTEMS EVALUATION AND REVIEW

c. £24,000 + Benefits

Central London

Our client is a major retail organisation with an impressive record of innovation, growth and profitability.

Joining a small professional team within the audit department, you will have responsibility for the review and evaluation of new computerised systems. Working on specific projects you will be involved throughout all stages of systems development.

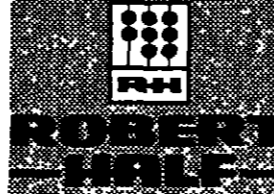
Providing specialist advice and assistance to line management, the emphasis of this appointment is on the analysis of problems and recommendation of solutions. This key role offers exposure to a variety of systems and a broad range of computer products. Career prospects are excellent.

Candidates are likely to be qualified Accountants with experience of computerised systems, preferably based on IBM Mainframes. Knowledge of computer assisted audit techniques would be advantageous. Candidates should be innovative and have the desire and ability to influence change.

A first class benefits package includes a non-contributory pension scheme, free life assurance and profit sharing after a qualifying period.

Please apply directly to Jeff Grout at Robert Half, Walter House, 418 The Strand, London WC2R 0PT. Telephone 01 638 5191 / 01 836 3545 (days), 01 948 4712 (evenings).

Financial Recruitment Specialists
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COMMERCIAL ANALYST

Recently Qualified ACA

Package c.£27,000

As the largest company of its kind in Europe our client offers an unchallenged level of expertise in the provision of computer services. The maintenance of their position as market leaders is assured with the recent aggressive acquisitions policy and the plan for their development in 1988.

This dramatic growth has led to an immediate requirement for a recently qualified ACA to supplement the financial control team in a key analytical position.

Reporting to the Financial Controller this position carries overall responsibility for the accounting and analysis of transactions in excess of £50K. Investigative in nature, it involves all aspects of the business from the

evaluation of contracts to the supervision of the customer accounts. Equally significant is the effective management of junior staff and close liaison with the sales force.

In order to meet the demands of both the role and the Company, the successful individual will display a considerable breadth of skills. On this basis it is likely that you will be a Chartered Accountant: qualified within the last two years; with the technical and interpersonal skills to make an effective long term management contribution.

For more information, please telephone Tim Musgrave on 01-930 7850 or write, enclosing brief details, to the address below.

ROBERT · WALTERS · ASSOCIATES

RECRUITMENT CONSULTANTS
66-68 Haymarket London SW1Y 4RF Telephone: 01-930 7850.

International Role – FMCG – US Multinational

Group Financial Controller

Surrey

£45,000 – £50,000 + Car

Our client is the rapidly growing headquarters for a \$500m turnover division of a \$6.5 bn turnover US corporation in the food industry. The division has twelve subsidiaries and operates throughout Europe, and Africa, in manufacturing and distributing a wide range of snacks and grocery products.

Reporting to the Group Financial Director, International, based in the USA, the Group Financial Controller will be responsible for directing and managing the financial activities of the group and its subsidiaries. In addition to responsibility for financial reporting and internal controls particular emphasis will be placed upon strategic planning and forecasting skills together with acquisition and divestment experience. You will also have responsibility for Treasury and EDP development. This is a broad international management role with considerable involvement in the group management team, and direct control of the operating company Controllers.

The successful candidate will be a graduate chartered accountant aged 35-45 with several years' experience in a multi-site international finance role. Experience in a fast moving high growth environment would be very relevant, together with profit control responsibility. Essential personal qualities will include excellent communication skills, presence, flexibility, drive and enthusiasm.

The nature of the role will require substantial travel, but no more than 40%, whilst future career opportunities may include a move overseas.

An excellent compensation package is being offered including incentive bonus, executive car, and pension. If you have the experience and qualities to match my client's requirements I would be delighted to receive your curriculum vitae: Wayne Thomas, Executive Division,

Michael Page Partnership, Kingsbury House, 6 Sheet Street, Windsor, Berks SL4 1BG.



Michael Page Partnership

International Recruitment Consultants
London Bristol Windsor St Albans Leatherhead Birmingham Nottingham Manchester Leeds Glasgow & Worldwide
A member of Addison Consultancy Group PLC

FINANCIAL CONTROLLER

West End

& Excellent Package

Our client, a household name and market leader in the field of international transportation, seeks to recruit a Financial Controller to lead one of its most profitable and expanding divisions, controlling a group of companies with a turnover in excess of \$25 million per annum.

Reporting to the Finance Director you will be responsible for:

- Installation of new integrated computerised accounting and costing systems
- Assisting in the management of both organic and acquisitive growth
- Team leadership of both UK and overseas based finance staff
- All aspects of financial management and reporting

This demanding role offers both immediate challenge and excellent career prospects. Aged 25+, you must be a qualified accountant possessing excellent communication and business skills gained at senior level, ideally, but not necessarily, in a related environment.

The remuneration package will include a performance-related bonus, company car, health care and relocation assistance where appropriate.



Interested applicants should contact Charles Austin or Simon Hewitt on 01-488 4114 or write quoting ref: AD101 enclosing a full CV to Mervyn Hughes International, Management Recruitment Consultants, 63 Mansel Street, London E1 8AN.

Assistant Financial Controller

INNOVATIVE MORTGAGE LENDING



c.£22,000 + Comprehensive Benefits

First Mortgage Securities is a leader in the development and funding of innovative and branded mortgage products. This new Group is backed by four major British institutional shareholders. To support the rapid growth of the business, they now wish to recruit a finance professional to play an important role in the future development of the Group.

Reporting principally to the Controller, you will assist in the implementation of all financial and management information systems to ensure that daily activity is carefully monitored and accurately reported at all times. Duties will also include the preparation of statutory and financial accounts, the production of the management information package, budgeting and assisting with the development of business plans. You will also be required to support the treasury and company secretarial function. The company's open management style will ensure access to senior management.

Candidates will be Chartered Accountants aged 25-30 able to demonstrate capacity for initiative and hard work, preferably having previous experience in the financial services sector. They should also have good PC based systems experience, strong interpersonal and communications skills and be able to function equally well both on their own and as part of a team.

For further information, please telephone or write, enclosing full career details to Martin Krajewski, Firth Ross Martin Associates, Wardgate House, 59a London Wall, London EC2M 5TP. Telephone: 01-628 2441.

Firth Ross Martin Associates Ltd.

FIRTH ROSS MARTIN ASSOCIATES LTD.

Partner Search

Central London

to £35,000

Our client, a commercially minded national firm, is continually developing and expanding into new areas of expertise. The current rate of growth can only be sustained through the successful recruitment of prospective partners in the following key business areas.

Taxation

Candidates must be ACA's with a minimum of three years' PQE gained within a "Top 20" environment. Exposure to basic corporate and personal tax planning is essential. You must relish the prospect of commercial involvement in the development of the firm's tax practice.

Contact David Kennedy Ref. TX/100.

Management Consultancy

Candidates must have gained senior line experience in an industrial/commercial environment in order to provide the breadth of financial consultancy required. Assignments will range from acquisitions and flotation work to management information system projects. A recognised accounting qualification and/or MBA would be a prerequisite.

Contact Paul MacIldowie Ref. EX/486.

Audit

You will be a graduate calibre ACA who is currently operating at Manager level in a major practice. In addition to proven technical ability, candidates must display commercial awareness and the willingness to assume considerable responsibility.

Contact Juliet Connock Ref. PD/100.

The above positions should appeal to candidates in the age range 28 to 32. For further information contact one of the above names on 01-831 2000 or write to Michael Page Partnership, 39-41 Parker Street, London WC2B 5LH. Strictest confidentiality assured.



Michael Page Partnership

International Recruitment Consultants

London Bristol Windsor St Albans Leatherhead Birmingham Nottingham Manchester Leeds Glasgow & Worldwide
A member of Addison Consultancy Group PLC

FINANCE DIRECTOR

West London

c. £35,000 plus benefits

Our client, a privately-owned company, has an impressive growth record in office products supply with a current annual turnover in excess of £20m and the intention to double the turnover over the next three years.

The new position of finance director will have overall control of a sizeable accounting function, and will be involved as a board member in helping the company achieve its ambitious objectives.

There will be a need to review and develop the computerised accounting systems, with particular emphasis on management information.

Applicants, aged around 35, should be qualified accountants with commercial experience gained preferably with a fast moving high volume distribution organisation, with a sound knowledge of computerised systems. An essential requirement is a "shirt sleeves" approach together with the ability to operate well as a member of the senior management team.

Benefits include a fully expensed car and profit related bonus and opportunities exist for career advancement.

Please send personal and career details to Carrie Andrews quoting reference F/168/A.

EW Ernst & Whinney

Executive Recruitment Services
Becker House, 1 Lambeth Palace Road, London SE1 7EU

Group Head Office Accountant

Central London
up to £25,000 + car

Dixons Group plc, the world's largest retailer of electrical consumer goods, wishes to recruit a Head Office Accountant to work in its Finance Department.

The person appointed will be responsible for accounting for Dixons Group plc and various other Head Office companies, with the help of a Bookkeeper/Cashier who will report to him/her.

Main areas of responsibility will include enhancing and maintaining effective cost controls; developing computerised accounting systems; regular production of management accounts, forecasts and budgets, year end schedules and statutory accounts; monitoring the Group funding position and producing regular cash reports; and preparing and submitting Group VAT returns.

Familiarity with micro computers and spreadsheet packages is essential. Experience in the following areas would be an advantage: cost control; management accounting; budgeting; treasury; VAT; corporate taxation and statutory accounts. The job requires someone who is confident, able to adopt a "shirt sleeves" approach and work with minimum supervision.

If you are between 25 and 32, a qualified accountant and have the necessary qualities for this responsible position, then apply enclosing details to:

David Longbottom
Group Management Development Manager
Dixons Group plc
29 Farm Street
London W1X 7RD

Dixons Group plc

Chief Accountant

CITY £20,000 + CAR + BONUS

Baker Harris Saunders Group plc is a rapidly growing specialist firm of commercial surveyors and estate agents with offices in the City of London and the West End. The Company is continuing its expansion through acquisition and organic growth.

The new position of Chief Accountant has been created to assist with the increasing volume and diversity of business within the group. The Chief Accountant will be responsible for the supervision of the accounting activities within the divisions, production of management accounts, treasury and developing and implementing management information systems

which reflect the growing diversity of the group. Reporting to the Group Financial Controller, the Chief Accountant will assist on budgets and forecasts, statutory accounts, strategic planning, acquisition investigations and other ad hoc exercises.

This is an ideal position for a newly qualified high flyer who wishes to gain broad experience in a dynamic public company environment. Flexibility and good interpersonal skills are essential for success.

Benefits and career potential are excellent. Please send concise career details to Steve McBride.

ROBSON RHODES

Chartered Accountants

Management Consultancy Division

186, City Road, London, EC1V 2NU.

Financial Director (Designate)

Slough Remuneration Package c£40,000

Our Client, a leading plc in marketing services, which has shown increased profits and significant growth, has identified the need for a new role within the senior management of their principal operating Company. The UK Consultancy, currently the largest Company within the Group, has ambitious plans for future growth and development. It is envisaged that the new role will encompass business management and the implementation of accounting and financial systems within the Consultancy, in order to maintain its market position within this fast growing market sector.

The candidate will be a qualified accountant with at least two years experience in a commercial environment; some exposure to the USM and acquisitions would prove advantageous. He/she will be energetic and ambitious, with the ability to liaise and negotiate at Board level.

The Group is growing rapidly, both in the UK and abroad, and hopes to double in size within 2-3 years, hence the urgency for the fulfilment of this role. The ability to communicate effectively, combined with real commitment and entrepreneurial flair are essential requisites, as it is envisaged that the position will grow to Board level within 6 months.

Please write in confidence, enclosing a copy of your up-to-date CV and quoting reference LM656, to Carol Jardine at Spicers Executive Selection, 13 Bruton Street, London W1X 7AH.



SPICERS EXECUTIVE SELECTION
A MEMBER OF SPICER & OPPENHEIM INTERNATIONAL

Finance Director

c£25,000 + prestige car Rural Midlands

This is an excellent opportunity to make a major contribution to the continued success of an autonomous business within a major plc. The company provides customised power electronics equipment for transmission, nuclear research, defence, transportation and industrial applications.

Contracts can value between £5k and £50m with a cycle time of 3 months to 3 years. The business is at the forefront of technology and therefore demands very strict financial control, as well as providing valuable exposure to a wide variety of accounting disciplines and techniques.

The role will appeal to an ambitious, qualified Accountant (preferably CIMA) whose man-management and communication skills and sound knowledge of computerised information systems are reinforced, ideally, by exposure at senior level

to contract costing, project management and control.

On offer is an attractive remuneration package comprising a substantial salary, prestige car and a wide variety of additional benefits including relocation assistance to a rural low-cost housing area. There are first class career development opportunities within the group.

Interested? Please telephone Hans Rostrop, Consultant, on 021-455 6255 (office hours) or 0527 73681 (evenings) or write with full career history to Ref LS579, Austin Knight Selection, Tricorn House, 51-53 Hagley Road, Birmingham B16 8TP.

Austin Knight Selection

GROUP ACCOUNTANT

SE London To £25,000 Neg. + car

Financial Leadership required by a well-established privately owned Group. Good management and communications skills plus a sound commercial accounting background are required.

Real career prospects and benefits are available to match contribution towards the company's growth and success.

Please write in strict confidence, quoting ref. FT/176 to Mike Heal,

Withers Diamond & Wood Brigdale,
Recruitment Advertising,
38-38 Mortimer Street, London W1N 7RB.
Tel: 01 255 3063.

Assistant Financial Controller MAYFAIR

Trafalgar House Property Ltd wish to appoint a qualified or part qualified accountant to join the Finance Dept of its Residential and Commercial Property Development interests in Mayfair.

The successful applicant will be responsible for the co-ordination and preparation of Board Papers, Financial reports, Overseas Company Accounts and wide range of assignments to assist the Divisional Financial Controller, including integration of new acquisitions.

A knowledge of computerised forecasting techniques and the ability to communicate at all levels is essential.

A good commencing salary will be offered together with a Company Car and excellent conditions of employment.

Please write or phone for an application form to Mrs J Heaton, Head of Personnel, Trafalgar House Property Ltd., West Lodge, Station Approach, West Byfleet, Surrey KT14 6NZ Tel: 09323 54288

Trafalgar House



FINANCIAL MANAGER

UP TO £20,000 + CAR

Rexel Limited, a rapidly expanding UK brand leader in office products, business machines and computer supplies requires a Financial Manager to control a busy Financial Department.

The position requires a qualified accountant (ACA, ACMA or ACCA) preferably with previous financial experience at Senior Accountant level with a fast moving company, but consideration would be given to exceptional candidates direct from the profession.

The applicant would be required to work to tight deadlines with exposure to all areas of the business. Assistance with relocation will be considered.

Age 26+, salary up to £20,000 p.a. plus company car

For this challenging position please apply in writing enclosing a full cv. to:

Mr K G Wood
Rexel Limited, Gatehouse Road, Aylesbury, Bucks HP19 3DT

FINANCIAL DIRECTOR

We are a fast growing private company which is expanding in the leisure sector. We are currently involved in both leisure themed publications and leisure property developments.

Recent expansion and successful fund raising have led to the need to appoint a highly motivated accountant to serve as the group financial director designate. He or she will work closely with the managing director and play an important role in the continuing development of the business.

Suitable candidates are likely to be recently qualified, highly motivated accountants who are keen to become involved in a small entrepreneurial team and contribute to general management as well as assuming responsibility for overall financial management and control. Remuneration will be in the region of £25k plus a quality car and the position will ultimately include a share option incentive.

Suitably qualified individuals should write in confidence enclosing personal details to The Managing Director, JPI Group, Plantagenet House, Kingsclere, Near Newbury, Berkshire RG15 8SW.

Correspondence should be marked strictly private and confidential.

Credit Control and Treasury Manager

Capital Equipment
M11 Corridor
c.£20,000, Car, Benefits

With turnover in excess of £30m, this major UK subsidiary of an American corporation supplies and services items of capital equipment throughout the UK. Reporting directly to the Finance Director, duties include management of all aspects of credit control including a computerised sales ledger system. The brief will also include liaison with the organisations advisers in the formation of a finance subsidiary that will handle the cash and short term investments of the parent UK operation. The successful candidate for this exciting career opportunity will have detailed experience of credit control gained in an industrial environment together with some understanding and experience of treasury operations. Probably aged 30-45, ability and experience are more important than formal qualifications. Small team management experience is required together with the maturity and interpersonal skills to ensure good communication at all levels within the Company.

Male or female candidates should submit in confidence a comprehensive cv. or telephone for a Personal History Form to, S.E. Heap, Hoggett Bowers plc, 1/2 Hanover Street, LONDON, W1R 9WB, 01-734 6852, quoting Ref: H2200/FT.

Hoggett Bowers
Executive Search and Selection Consultants
BIRMINGHAM, BRISTOL, CAMBRIDGE, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE, NOTTINGHAM, SHEFFIELD and WIDNES
A MEMBER OF BLUE ARROW PLC

HEAD OF OPERATIONS FINANCIAL FUTURES

We are searching for an experienced CFTC-registered professional to be responsible for the operations of an institutional Financial Futures Trading and Hedging Service.

Candidates should have a thorough knowledge of Forex, Metal, Options, Futures trading and processing. We expect a good knowledge of cash management as well as a command of English, French and German. Experience in automated backoffice procedure is a must. A good team spirit is important.

The salary will be commensurate with the applicant's experience and ability.

Please write (enclosing your CV) to the Manager, PRUDENTIAL-BACHE SECURITIES (LUXEMBOURG) Inc., 20, rue de l'Eau, L-1449 Luxembourg

Prudential-Bache Securities

سكنا من الاصل

Handwritten note: *Handwritten text*

Tax Partners Designate

Newcastle Upon Tyne & Cardiff c.£35,000 + Car

Our client is a top 10 firm of Chartered Accountants with an extremely varied client portfolio ranging from fast growing entrepreneurial and owner managed businesses to publicly quoted companies and groups. Continued expansion creates the need for a Tax Partner Designate for both their Newcastle and Cardiff offices. Key areas of responsibility will include the development of the firm's tax and personal financial planning services with particular emphasis on tax practice development. Candidates will ideally have a mixed corporate and personal tax background and

be able to demonstrate high levels of technical skills, motivation, commercial awareness and leadership qualities. The ability to develop close client relationships is essential with partnership being envisaged at an early stage. Existing partners in practice will also be considered.

Comprehensive relocation facilities are available where appropriate and interested applicants should write to Angela McDermottroe, quoting ref: LS415, and stating preferred location. Michael Page Partnership, Leigh House, 28-32 St. Paul's Street, Leeds LS1 2PX. (Tel: 0532 450212).

Michael Page Partnership
International Recruitment Consultants
London Bristol Windsor St Albans Leatherhead Birmingham Nottingham Manchester Leeds Glasgow & Worldwide
A member of Addison Consultancy Group PLC

Strategic Review

Central London to £33,000 + Substantial Benefits

Our client is a diverse international public company with a turnover in excess of one billion pounds and a record of consistent profitable growth.

The Company's current expansion plans have created the need for a further individual to join a small highly professional team which reports directly to the Group Finance Director and the Main Board. The principal responsibilities entail:

- The appraisal and evaluation of potential acquisitions and other major projects.
- The analysis and review of all activities on an ongoing basis.
- The preparation of general business reports for the Main Board.
- Ad hoc assignments.

To be considered for this exciting post, candidates must be aged between 27 and 32, and have a first class academic record together with an MBA or accounting qualification. Previous experience gained in a large, preferably international, organisation is desirable, and exposure to acquisitions appraisal would be particularly valuable. In addition, well developed interpersonal skills, natural self confidence, and a polished presentation are prerequisites, as there will be frequent contact at Main Board level.

The successful applicant is assured of early promotion to a senior financial or operational position, probably at Divisional level. If you would like to be considered, please write enclosing a comprehensive curriculum vitae and daytime telephone number to Tony Martin, Executive Director, 39-41 Parker Street, London WC2B 5LH, quoting ref. 487.

Michael Page Partnership
International Recruitment Consultants
London Bristol Windsor St Albans Leatherhead Birmingham Nottingham Manchester Leeds Glasgow & Worldwide
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ACCOUNTANT

Swindon c.£20,000 + Car + Bonus + Stock

Out of the ordinary career potential

With over 100% growth last year, and an increasingly diverse blue-chip client base, Cadnetix's performance far exceeds the ordinary. The challenge is to continue to grow in terms of working environment, variety and challenge - of our current vacancy for a UK Accountant.

A leading force in world markets for advanced computer aided design, manufacturing and engineering products, we are a subsidiary of a listed U.S. corporation.

Recognising that our growth can only be maintained through precise financial management, we wish to appoint a qualified accountant, preferably with at least two years' experience in a high technology organisation and, ideally, a knowledge of U.S. accountancy standards. Based at modern premises in rural Swindon, an

exceptionally broad range of responsibilities will include production of quarterly and annual accounts, budgeting, management information and planning. You will also assume responsibility for cost control, Bought and Sales ledgers, payroll and contractual commitments.

Excellent prospects within the short term include scope to assume financial responsibility for other subsidiaries in Northern Europe, in addition to your UK activities.

For further information about this unusual opportunity, which carries a full benefits package including relocation assistance, please write, enclosing full CV, or telephone Paul Whitney at Cadnetix Ltd., Cherry Orchard North, Kemble Park, Swindon, Wiltshire. Tel: (0793) 616400.



stepping stones and career opportunities . . .

COMPUTER AND OPERATIONAL AUDIT

Central London £22-30,000 + mortgage etc

One of the UK's most influential financial services groups, our client dominates its sector. Its size and resources enable it to move decisively into new areas of operation. Substantial growth including numerous acquisitions and new ventures has created these highly visible investigative opportunities.

Essential to the successful management of these businesses, the multi-discipline audit team reviews and appraises all aspects of the group's activities, controls and information systems. Working with management at all levels in a highly computerised environment - massive new systems development programmes are underway - calls for strong analytical and communication skills which will enable you to make a recognisable contribution to financial control.

These are acknowledged stepping stones for promotion at group or operating company level where there will be very extensive career opportunities. Salaries are negotiable according to age and experience and benefits include a non contributory pension and subsidised mortgage.

Applicants should be qualified accountants, preferably aged under 30, with audit or systems experience gained in a major professional firm or blue chip corporate environment.

Please write with full career details or telephone David Tod BSc FCA quoting reference D/684/DE.

HOYD MANAGEMENT Selection Consultants 125 High Holborn London WC1V 6QA 01-405 3499

HOYD MANAGEMENT

Not everyone took fright last autumn.

With the finance industry going through an uncertain period, it's comforting to know that one group is managing not only to keep its head above water, but also to keep on course for sustained business growth based soundly on managing and developing some £5.5 billion investments.

Part of a major worldwide organisation, our client is one of the UK's most influential financial services companies with a growth record to impress even the most cynical. To help consolidate their growth, they are looking to add two vital members to their Investment Accounting team:

Investment Accountant - Training & Development

Competitive salary + car

A demanding dual role, you'll organise and manage the training of our client's investment accounts team. You will also be involved in dealing with a wide portfolio of tasks such as assessing corporation tax liabilities, other taxation issues and quality controls.

Investment Accountant - Projects

Competitive salary + car

Our client will look to you to stretch your skills in a highly influential project role. You'll contribute to business decisions through analysing and making recommendations on issues including for example trustee services, accounting systems and taxation implications.

For both positions, you must be well educated and you'll need investment Accounting experience together with a good working knowledge of corporate and income tax regulations, stock exchange and broker settlement procedure, both UK and overseas, and relevant financial legislation. Our client expects you to be familiar with computerised systems and to display excellent communication and organisational skills. Both positions hold excellent management opportunities, not only in the Investment Accounting area but throughout the group as a whole.

Our client offers an outstanding benefits package including choice of car, free life assurance, non-contributory pension scheme, BUPA and a very generous relocation package where applicable.

And, of course, the comfort of knowing your job will be secure with one of the winners.

For a confidential discussion, please telephone our Consultant, Andrew Goobey on 01-631 4411 or write to him at MDK, 178-202 Great Portland Street, London WIN 6JJ. Quoting ref 4026.

Our client is an equal opportunity group.

MOXON · DOLPHIN · KERBY
EXECUTIVE SEARCH & SELECTION

TAX ACCOUNTANT

An international challenge for a talented specialist

East Anglia

We're looking for a talented and experienced tax specialist to join our client, a major UK company which is a wholly owned subsidiary of one of the country's most prestigious public corporations.

Our client operates throughout the world in many diverse markets, in several of which they enjoy market leadership. This means the role of tax accountant is varied, complex and challenging, demanding a thorough knowledge of tax affairs both domestic and international.

Leading a small team you will be responsible for the entire company's tax management, providing a comprehensive service from compliance to strategic tax planning. This includes the provision of informed and astute commercial advice to line executives on the

Package circa £30k inc. car

tax implications of management decisions, so you must be commercially aware and capable of becoming an integral part of the senior management team.

You must be fully qualified with at least 2 years experience in Corporate Tax together with a sound financial accounting/auditing background.

The rewards package is excellent, including a first class salary, company car and an impressive range of benefits. You will also have unparalleled career opportunities both within the company and their parent group. You'll also receive generous relocation expenses to help you move to East Anglia, where you will enjoy all the facilities the UK's most buoyant economy can offer, with rapidly appreciating house prices in delightful rural surroundings.

The People Partnership

For further information write with full CV, or telephone 061-833 0042, D. Springhall quoting reference PP 080 and stating companies to which you do not wish to apply:-

The People Partnership, Television House, Mount Street, Manchester M2 5WS.



Head of Group Secretariat

London c. £50,000 + bonus + car

Our client is a dynamic major U.K. public company operating internationally.

A company secretary, with wide experience including Stock Exchange requirements, acquisitions, disposals, offer documents and international operations, is sought for appointment as the Head of Group Secretariat. The successful applicant will also play a major part in the management of other head office departments.

Candidates will have a CIS/legal qualification and have developed a broad range of company

secretarial experience, preferably with a major quoted company. A confident manner, energy and a highly commercial attitude are important. Preferred age 35-45.

Please apply in confidence quoting Ref: 207 to Philip Rice, MA, ACMA, Whitehead Rice, 295 Regent Street, London W1R 8JH. Telephone 01-637 8736

Whitehead Rice

FINANCIAL MANAGEMENT SELECTION

ALPS ACCOUNTANCY & LEGAL PROFESSIONS SELECTION LTD

3 London Wall Buildings, London Wall, London EC2M 5PU Tel: 01-586 3576 Telex No. 887374

An excellent opportunity with prospects to become a Divisional Financial Controller in 12-18 months.

ALPS FINANCIAL CO-ORDINATOR

N. E. HANTS £18,000-£23,000 + CAR

EUROPEAN HQ OF FAST EXPANDING U.S. CORPORATION IN THE ELECTRONIC COMPONENTS SECTOR

For this new appointment, the result of growth and acquisition, we invite applications from qualified Accountants (ACA, ACMA, ACCA), aged 25-28 with a minimum of 2 years post qualification experience, either within an international firm of Accountants, large corporate or a major management consultancy. The successful candidate will be based in the European Headquarters and report to the European Controller with responsibility for co-ordinating financial activities in the operating units. Specific responsibilities will include preparation of forecasts and five year plans, further development of management information systems and consolidating divisional accounts. Additional responsibilities will include ensuring operational audit recommendations, internal controls and group policies are adhered to. Up to 25% away travel will be required. Essential qualities are flexibility, drive and the ability to gain the respect and co-operation of the Divisional Controllers in the operating units. Initial salary negotiable £18,000-£23,000 + car, contributory pension, free family medical insurance, free life assurance and assistance with removal expenses if necessary. Applications in strict confidence under reference: FCO152/FT, to the Managing Director.

ACCOUNTANCY & LEGAL PROFESSIONS SELECTION LIMITED, 3 LONDON WALL BUILDINGS, LONDON WALL, LONDON EC2M 5PU. TELEPHONE 01-586 3576 OR 01-586 3576. TELEX: 887374. FAX: 01-256 8801.

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Finance Manager

c.£22,000 + Car
Rural Cotswolds

For an autonomous and dynamic £13m turnover specialist engineering company which has become an established international market leader through technical innovation, product performance and reliability. The organisation is a subsidiary of a substantial British multinational which provides excellent long term career prospects.

The Finance Manager will be expected to make a significant management contribution to decision making across the entire range of business activities, to determine financial objectives and be instrumental in the planning process. With total responsibility for the finance functions, the brief includes the ongoing development of financial systems, control procedures and management reporting requirements commensurate with the business needs. Successful performance in this role should result in the opportunity to undertake broader management responsibilities.

Applicants should be innovative graduate accountants aged 30-35 with well developed commercial acumen in addition to sound technical skills. Initiative, drive and enthusiasm are essential in addition to the financial professionalism and interpersonal skills to be of influence at board level. Relevant previous experience is important, gained in a commercially orientated manufacturing environment. Relocation assistance is available where appropriate.

Please reply in confidence quoting ref. E109 to:

Adrian Edgell
Mason & Nurse Associates
5a Station Road, Egham
Surrey TW20 9LD. Tel: 0784 71255
Offices in London, Birmingham and Egham.

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Senior Economist to £30,000

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ext 4377
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ext 4676
Elizabeth Brown
ext 2456

FINANCE DIRECTOR

Southern England - £neg. + executive car

A fast growing private limited company involved in high-tech consumer electronics wishes to appoint a Finance Director to join its energetic management team. U.K. based, the company has expanding international interests and substantial export sales giving a group turnover in the region of USD 70 million.

Applicants for this post are invited from chartered accountants with a proven track record of financial control achievements. Imagination combined with maturity are essential qualities together with an inherent ability to communicate at all levels.

The degree of experience required suggests someone in the 40-50 age group, a graduate with a number of years spent in a similar role and a high degree of commitment to the task in hand.

A competitive salary is offered to the right person, and includes a fully expensed car, contributory pension scheme, medical insurance, life insurance and profit sharing after an initial period of service.

If you consider that you match these high standards, please submit your C.V. in the strictest confidence to the Chairman, Box A0811, Financial Times, 10 Cannon Street, London EC4A 3DF

MANAGEMENT ACCOUNTANT: £20,000 + Car

A major international company based in West London, are currently seeking a qualified ACA. Reporting to the Financial Controller the successful applicant will be responsible for the production of management accounts and provide support for the international division. This job is both challenging and rewarding. Excellent career prospects and benefits are offered as is a relocation package.

QUALIFIED ACCOUNTANT: £20,000

A rapidly expanding Chartered Accountants require a motivated self starter with partnership potential to work in both their Chislehurst and London offices, preferably to have tax bias. Excellent salary benefit and career progression is offered to the successful applicant.

For further details contact:

5 Marsh Street - Bristol BS1 4AA
101 Commercial Road - Swindon SN1 3PL
51 Cross Street - Reading RG1 1ST
Greenway Gardens - Victoria London SW1W 0SS

Tel Bristol 293000 Tel Swindon 619021 Tel Reading 500891 Tel 01 628 8994

**ACCOUNTANCY
NETWORK**

A Partners Company

DIVISIONAL FINANCE DIRECTOR (EUROPE)

Surrey CE26,000 + Car + Bonus + Benefits

A qualified and commercially astute accountant, aged 30-45 and with manufacturing experience, is sought to join our European Management team.

Part of a major U.S. finance and manufacturing company, we are the market leaders in the manufacture and marketing of modular chimney and venting systems for both residential and industrial applications.

Reporting to the Managing Director, you will have overall responsibility for the operations both in the U.K. and Europe. Experience of multi-currency accounting and U.S. reporting would therefore be a distinct advantage.

If you are interested in this first class career opportunity please write briefly enclosing a comprehensive C.V. to:-

John M. Bottom
Managing Director
Household Manufacturing Limited
Bassett House, High Street
Barnstead, Surrey SM7 2LZ.

Please mark your envelope Private and Confidential.

GROUP FINANCIAL CONTROLLER CENTRAL LONDON TO 25,000

Our client, a young expanding Financial Services Company has trebled turnover and staff in the last 18 months to 100 million. Further expansion is already planned.

Reporting directly to the Financial Director, the candidate will take overall control of all the group accounting requirements and be capable of developing the computer system.

Candidates will be Accountants looking for a career in an expanding, dynamic company, capable of controlling and motivating staff and have the ability to contribute to group expansion.

CV's in the first instance to:-
Mary Caldwell, 118 New Bond Street,
London W1Y 0BH
RECRUITMENT CONSULTANTS

Finance Director

International Bullion Banking
c.£85,000 + benefits
City

As an autonomous and highly regarded UK banking subsidiary of a major international banking group, our client is acknowledged as a leading force in the bullion industry.

With impressive growth in trading and profitability a Finance Director is now sought. As part of the Executive a significant contribution will be expected in the overall direction and development of the bank. Functional responsibility will be for all financial and support services for London and three international subsidiaries.

Those interested will have already

gained strategic responsibility in a banking or financial environment and have contributed significantly to its general management. First class accounting skills are pre-requisite but the person appointed should be able to offer far more particularly in terms of commercial awareness. It is unlikely that those under 40 will have achieved sufficient seniority for the demands of this appointment.

Salary will not be a limiting factor and in addition the package will include a bonus scheme designed to attract a high performer. Board

status for the right candidate will be immediate.

As independent advisors we will fully respect the confidentiality of any initial approach from those interested in exploring this opportunity further. Contact Christopher Bairnton on 01-407 8989 for a preliminary discussion or send your CV quoting reference MCS/2008 to him at: Executive Selection Division Price Waterhouse Management Consultants No. 1 London Bridge London SE1 9QL

Price Waterhouse

International Finance Windsor

Siebel plc has an impressive record of successful growth. Our turnover is now £1 billion plus and we employ 30,000 people worldwide. Our major businesses are controls, compressed air products and pneumatics, garage equipment and safety and life support products. We now seek to fill the following positions:

Group Controller c.£40,000

Reporting to the Group Finance Director you will be responsible, through a team of three Controllers, for controlling the financial information for all our operations outside of the Americas and Japan. This role will entail monitoring and reviewing the operations and financial performance of the subsidiaries both in the UK and overseas, to ensure conformance to corporate targets and standards. You will advise and interface with management at all levels, necessitating an astute, commercial understanding of the business. A chartered accountant, over 40, and preferably a science graduate, you will have strong financial management experience in a multinational manufacturing environment. You might well have spent time as the top financial person in an operating company.

Controller to £27,500

As part of the Group Controller's team, you will be controlling the financial information of one or more of our major divisions. The monitoring of the performance of UK and overseas subsidiaries is the key element of this role. The ability to interface with and to advise senior operating management is a key skill. You will be a chartered accountant in your 30's and preferably a science graduate. You should have sharp end manufacturing experience.

Both positions involve international travel, and the salary packages are negotiable to include a quality company car and comprehensive benefits. If you seek an intellectual challenge of working in a demanding, high-pressure environment and your ambitions match those of an aggressively expanding Group, then please send cv, indicating current salary to: Mr J.W. Little, Director of Personnel, Siebel plc, Saxon House, 2-4 Victoria Street, Windsor, Berkshire SL4 1RN.

SIEBEL

Financial Director

West Yorkshire c.£30,000 + Car

Our client is a well established and profitable PLC whose diverse international markets range from capital equipment to consumer products.

The restructuring of a major Division has created the need for a Financial Director to assume full responsibility for all financial and management accounting matters including regular reporting to the Divisional Chief Executive.

Our ideal candidate will be a young, results oriented, qualified Accountant at present holding a similar position in a smaller company or be number two in a larger unit. You must have at least five years post-qualification experience in a manufacturing environment. Education to degree standard in either an engineering or business related discipline would be an added advantage.

Prospects for further career development in this expanding Group are excellent. There is a first class employment package which includes a fully expensed executive car and generous financial assistance with relocation, where appropriate.

Please telephone for an application form (calls are answered 24 hours a day) or send comprehensive curriculum vitae quoting reference number 826 to:

Roy Longworth
THE JOHN DALTON PARTNERSHIP LIMITED,
4 Post Office Avenue,
SOUTHPORT PR9 0US,
Tel: Southport (0704) 38776

(Applications are open to both male and female candidates)
THE JOHN DALTON PARTNERSHIP LIMITED
Management Selection & Recruitment Consultants

TRINITY COLLEGE OF MUSIC HEAD OF FINANCE

WI CE20,000

Trinity College of Music is one of the country's leading Music teaching institutions. Its also provides a world wide external examinations and publishing service. The college seeks to appoint, in early summer 1988, a head of the Finance Department to be ultimately responsible to the Chief Executive.

Main responsibilities

1. Smooth running of computerised payroll and ledger systems, (includes remuneration of some 1000 Representatives in 40 countries, collection of fees therefrom and payment of self employed teachers and examiners).
2. Developing new ideas and procedures to enable the College to establish corporate objectives (e.g. to meet the challenge of the Government's new contractual funding requirements and development of profit making activities required by the Education Reform Bill).

Main Requirements

Experience of, and enthusiasm for the design and implementation of financial and management information and accounting systems, development of staff and the management of change.

The position provides an excellent opportunity for a qualified Accountant with energy and enthusiasm for developing and applying new methods of Management, seeking a post with considerable independence. An interest in music and higher education would be an advantage.

The salary will be about £20,000 and is related to NJC Scales.

For further details and application form, apply to Assistant to Administrator, Trinity College of Music, 11-13 Manville Place, London W1M 6AQ; (Tel: 01 9355773)
Closing date: 26th February 1988

Finance Director for a very profitable consumer durable company

Midlands c.£25,000 + bonus + car

The client is a highly profitable organisation specialising in the manufacture and distribution of a specialised range of consumer durables. Profits already approach £1 million, and sustained and rapid growth looks set to continue.

Working very closely with the Managing Director, you will be responsible for the strategic, long-term financial management of the business. Key areas of involvement will be commercial development to drive the company's expansion, and the initiation of new systems for the provision of management information.

You will be qualified, with highly developed commercial awareness and the judgement to interpret financial information. You must possess that combination of strength, tact and credibility to enable you to 'sell'

your ideas at the highest level.

Rewards are first-class, including a comprehensive benefits package and relocation expenses, where appropriate, to a convenient Midlands location. It is also a superb opportunity to undertake a genuine 'hands-on' role in the management of a company.

Please write with full personal and career details to Confidential Reply Service, Ref LS680, Austin Knight Advertising, UK Limited, Tricorn House, 51-53 Hagley Road, Edgbaston, Birmingham B16 8TP.

Please list any companies in which you are not interested in a covering letter.

**Austin
Knight
Advertising**

150 من الاموال

Handwritten note: *W.H. 10112*



Financial Controller

SCOTT
SCOTT LIMITED

South East Remuneration Package c.£30k + Car + Benefits

Scott Limited is an autonomous UK Company which is part of a \$4.5 billion turnover US company in the paper industry. It has five operating companies with a turnover of £250 million and employs 2800 people. It is an FMCG Company with household brand names such as Andrex, Fiesta, Scotties and has entered a dynamic and exciting phase of its development.

Continued growth and internal promotion into Europe has generated the requirement for a Financial Controller. Reporting to the Finance Director, you will be responsible for the UK group accounting and company secretarial functions with a staff of 35 people. This is a very broad finance role with specific responsibility for producing the consolidated UK financials together with tax, treasury, pension, insurance, legal matters and property maintenance.

To be successful in this role you will need a high level of technical competence, with an ability to lead an experienced team, through a period of change. The appropriate candidate is most likely to be aged 27-35 and a qualified chartered accountant. You will have trained with a well known public practice and subsequently gained some industrial experience. You may already be a Controller looking for larger company experience. Excellent communication skills are essential together with drive and enthusiasm.


The excellent compensation package will include a competitive basic salary, car, petrol allowance, and contributory pension. Assistance with relocation expenses will be offered if appropriate.

Interested applicants are requested to submit their cv to: Wayne Thomas, Executive Division, Michael Page Partnership, Cygnet House, 45-47 High Street, Leatherhead, Surrey KT22 8AG.

Michael Page Partnership
International Recruitment Consultants
London Bristol Windsor St Albans Leatherhead Birmingham Nottingham Manchester Leeds Glasgow & Worldwide
A member of Addison Consultancy Group PLC

TAX MANAGER-US/EUROPE

£32K + CAR ETC




It is not by chance that Occidental has become a major international oil company. We have reached our position — with a worldwide turnover now in excess of \$15 billion — through a combination of flair and sound commercial practice. Both of these characteristics are qualities we expect to find in candidates for this position.

The opening will appeal to a fully qualified Accountant with experience of US and UK corporate and UK personal taxation, gained at senior level within commerce or industry, who is ready to receive due compensation for outstanding ability. You will be responsible for providing all US tax related advice and reporting information in respect of Occidental companies operating in Europe.

Some foreign tax involvement may also arise. You will also be the key figure in the administration and interpretation of tax equalisation policies. Probably in your late 20's/mid 40's you will have a good working knowledge of PC's. An understanding of VAT would be an advantage. On a more personal level you must be a good communicator and able to deal easily with colleagues and your counterparts in the oil industry and in the Inland Revenue. Most importantly, you will possess the drive and determination to make an immediate and positive contribution.

In return we can offer a salary of circa £32,000 p.a., a quality car and benefits to include family medical insurance, free life assurance, a contributory pension scheme and sports and social facilities. In this high profile position you will be well placed to play an influential role in the further development of a company poised for an exciting future, and personal success will enhance your own excellent prospects. Please write with brief career and personal details to: Clyde Sorrell, Employee Relations Department, Occidental International Oil Inc., 16 Palace Street, London SW1E 5BQ.



Young Qualified ACA...

GROUP ACCOUNTANT

£25,000 + Benefits + Car

N.W. Surrey

The overseas acquisition division of a large foreign parent wishes to recruit a several years qualified "Big 8" experienced Chartered Accountant to assist the Group Financial Controller.

The small but concentrated H.O. team has responsibility for the targeting and "follow-through" of all the parent's international expansion. Complex fiscal and other considerations have created a network of companies worldwide which would demand from the successful candidate a knowledge of international consolidations and an interest in, if not solid experience of, computer systems.

Please apply directly to Greg Ripley at Robert Half, Walter House, 418 The Strand, London WC2R 0PT Telephone 01-638 5191 or 01-836 3545.

Financial Recruitment Specialists
London · Birmingham · Windsor · Manchester

Nigeria Financial Manager

Salary Package c£30,000

Our client is a subsidiary of a multinational group involved in Engineering Supply and Fitting Production Systems for the oil industry. They are seeking a commercially aware accountant to take charge of all accounting and administrative functions based in Lagos. Reporting to the local base manager you will be experienced in cash control, cash planning, contract administration, computerised accounts and negotiations at a senior level.

The successful candidate will preferably be, although not essentially, a qualified accountant aged 30-45 and have previous experience working in developing countries.

Along with an excellent salary the working schedule is 6 weeks in Nigeria followed by 4 weeks leave. Food and accommodation are provided plus the use of a company car and this vacancy is a permanent position on a single status basis.

For further information and local interviews, contact LINDSAY WEIR on 0224 649082, CHARLES COTTON on 01 383 1244 0459 51166 (Evening) or write enclosing brief career details to one of the ASA International addresses below:
488 UNION STREET, ABERDEEN, AB11 1TS or LUDGATE HOUSE, 107-111 FLEET STREET, LONDON EC4A 2AB

ASA International

SUCCESSFUL JOB SEARCH

ARE YOU A SENIOR EXECUTIVE SEEKING A NEW FINANCIAL APPOINTMENT?

We are the professionals who can advise and help you. Since 1980, Connaught's executive clients have accessed unadvertised vacancies, obtained interviews, found the right jobs and reduced job search time. Contact us for an exploratory meeting. It is without charge and we will tell you if we can help and at what cost. It may be easier than you think. If you are currently abroad, enquire about our Executive Expat Service.

32 Savile Row, London W1X 1AG
Tel: 01-734 3879 (24 hours)

Connaught

MANAGER INSURANCE ACCOUNTS DEPARTMENT CITY ATTRACTIVE PACKAGE

Harris & Dixon (Insurance Brokers) Ltd require a qualified Accountant with a good working knowledge of Lloyd's broker's operations reporting to the Finance Director/Company Secretary. The successful candidate will have experience in financial, management and insurance accounting with particular relevance to credit control and investment, a good knowledge of computerised systems and general administration. The complete package offered is both comprehensive and flexible and will be structured to attract a proven financial executive in the insurance industry.

Please apply in confidence with C.V. to: Dick Morton Consultancy 36 Merton Hall Gardens Wimbledon, SW20 8SN

MANAGEMENT EDUCATION AND TRAINING

Publication date 22 March 1988
Copy Date 8 March 1988

The Financial Times proposes to publish this Survey on the above date.

A number of areas will be covered including:

- * What is to be done about British Management?
- * How do Managers actually think?
- * How can "Intuitive" thinking be improved?
- * How are leaders developed and teams built?

Please address all inquiries or suggestions concerned with the editorial content of this Survey to the Surveys Editor.

Advertising information can be obtained from Jacqueline Keegan
Tel 01-248 8000 extension 3740 or contact your usual Financial Times representative.

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

Details of Financial Times Surveys are subject to change at the discretion of the Editor.

FINANCIAL CONTROLLER (DIRECTOR DESIGNATE)

MARKETING AND DISTRIBUTION

West Yorkshire c£23,000 + bonus + car

My client is a household name which dominates its marketplace, selling with conspicuous success to both domestic and industrial customers. Under the energetic direction of a new chief executive, the company is planning a dramatic increase in turnover and profitability within the next few years. To achieve this, the existing Board is looking for the support of a strong and talented Financial Controller.

You will be a qualified accountant, probably late 20's or 30's, very successful in your career to date, now looking for an opportunity to realise more of your potential. This position will test your skills in leading a busy financial function through a period of rapid growth; you will improve the accounting control systems, establish sophisticated forecasting and budgeting procedures, handle cash management, control the DF function — and still have time to use your expertise on an ad hoc basis to support the company's diversification and acquisition plans. You will play an important part within the total management team.

The management style here is informal, participative, but hard-driving. You will thrive in this environment by being a strong character, having the confidence to question the conventional wisdom and to inject your own ideas and energy into the enterprise.

The recent past has seen change and considerable achievement; but the real challenge has only just begun! The future presents enormous opportunities for the company — and for you. Success will lead to a Board appointment.

If you would like to pursue this opportunity, please apply to me, Dudley Harrop, at our Manchester office quoting ref no MB17.

ASB Trident House, 31-33 Dale Street, Liverpool L2 2HF Tel: 051-236 9373
Eagle Buildings, 64 Cross Street, Manchester M2 4JQ Tel: 061-834 0618

GROUP FINANCIAL CONTROLLER (DIRECTOR DESIGNATE)

LONDON W1 c.£27,000 + CAR + BENEFITS

Our client is a financial services and banking group which has developed and expanded over the last four years. The Group's working capital, earnings and profit have increased steadily over this period.

The growth of the Group's activities has created the need to appoint a Financial Controller (Director Designate) as a key member of the management team to manage the financial, computing and secretarial activities. Experience in business planning, the organisation of management information and treasury management activities are desirable.

The successful applicant should be an entrepreneurially minded qualified accountant between 27 and 33 with at least three years' post qualification experience in a service industry environment, preferably financial services.

Please write in confidence, quoting reference 8792 and submitting a curriculum vitae including salary details to:

Peter Childs
Pannell Kerr Forster Associates
New Garden House
78 Hutton Garden
London EC1N 8JA

Pannell Kerr Forster Associates
MANAGEMENT CONSULTANTS

CHIEF ACCOUNTANT/COMPANY SECRETARY

We are seeking to recruit a qualified Accountant for our client, a long-established company in the grain and feed industry, based in London with offices in Northants.

Remuneration package comprises salary in the range £18-22K plus benefits, and progression to Board level in the short term is envisaged.

Full CVs, quoting Ref 6059 to TSU RECRUITMENT, 159 High Street, Tonbridge, Kent TN9 1BX
(Initial interviews may be arranged in London)

Financial Controller

An exceptional opportunity for an astute opportunist

North West London £28,000-£30,000 plus car

Involved in the marketing and installation of access control/security systems, our client is currently enjoying outstanding levels of growth and profitability. As a result, a new position has been created for a dynamic young qualified accountant to guide them through this exciting phase of development and beyond.

Reporting directly to the Board, you will personally assume overall responsibility for all the firm's financial activities. Your initial brief will be to update their existing systems, which they have now outgrown, through the introduction of new accounting procedures and reporting techniques. Your role will also involve assisting in the identification and implementation of a fully integrated computing facility.

Ideally with at least two years' commercial experience, you must be able to demonstrate considerable business acumen, allied to the natural ability to think both strategically and creatively. This is a real opportunity to make a significant impact on the business and enjoy career development commensurate with your achievements.

Truly unlimited prospects exist, including the possibility of attaining Board status within two years.

Applications, giving full personal and career details, should be submitted, quoting reference SH4 1283, to Kirshan Prindle at Stoy Hayward Associates, Management Consultants, Executive Recruitment Division, 8 Baker Street, London W1M 1DA.

SH Stoy Hayward Associates
MANAGEMENT CONSULTANTS
A member of Horwath & Horwath International

GROUP FINANCIAL CONTROLLER

MIDDLESEX Competitive package inc. above aver. car

An excellent opportunity has been created within a long established manufacturing company with a reputation for a quality and service. As a member of senior management, responsible to the Head of Finance, you will contribute to the achievement of continued profitable growth of the Group. Functional responsibilities will eventually include:

1. the control and management of a small team which prepares financial accounts, monthly management accounts, sales, purchase and nominal ledgers.
2. the development of internal audit, costing, budgetary control and management information systems.
3. ensuring the department continues to be a major contributor to the management and control of the Group.
4. providing regular financial reports to the Directors.

You will be fully qualified (ACA, ACMA, ACCA), probably in your mid thirties with excellent communication and management skills and experience of developing computerized systems within a process industry. A self motivated achiever with career development potential, will enthuse over this first class "hands on" opportunity.

Candidates should apply in writing detailing their career history, including salary progression, to:

Mr. K. Heaver, 9 Rookley, Ingleisle, Netley Abbey, Southampton SO3 5PH

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Austin Knight
advertising

Group Systems & Audit Manager

Major Retailer
c.£35,000

Outer London

Challenging opportunity for a young, ambitious chartered accountant to join a major retail group. A new position offering considerable scope for management skills. Excellent career prospects.

THE COMPANY

- Leading, publicly quoted British retail group.
- Turnover approaching £750m.

THE POSITION

- The key priority is to review, reorganise and consolidate the divisional systems and audit management, on site and from the centre.
- Improvement and control of systems, practices and reporting procedures, managing a 40-strong team.
- A wide-ranging role reporting to the Audit Committee of the Board.
- Liaison and negotiations with external auditors.

QUALIFICATIONS

- Chartered accountant, aged 28-40, with at least two years' post-qualification in a top audit firm.
- Additional multi-branch, plc experience, preferably in a retail or service company.
- Knowledge of large company computer systems.
- Well organised, with excellent interpersonal skills and the ability and ambition to become Finance Director of a substantial division.

COMPENSATION

- Attractive base salary and benefits.
- Opportunity for career development.



Please reply quoting Reference G0417 to:
37 Dover Street, London W1K 3BB

POTENTIAL PARTNER

£225,000
CENTRAL LONDON
Young three Partner Practice seeks tomorrow's Partner. You will have qualified with a small/medium firm and will now be seeking a vehicle for your talents. Contact David Paton on 01-734-4698, alternatively write to:
Search & Selection Division,
Finance Recruitment,
2/3 Golden Square, London, W1R 3AD

CHIEF ACCOUNTANT

C. London
Sal £35,000-£40,000
International Bank
Qualified Accountant, with previous banking or financial services background - Age 30s. Also newly qualified role at c.£25,000 + mortgage.
Tel: 01-623-1053
FT Partnership (Rec Core)

QUALIFIED ACCOUNTANT

required with several years of public practice experience and computer accounting knowledge. Knowledge of Canadian Tax is essential.
Please write to Alison
Jan Flett, Human Resources,
289/293 Regent Street, London W1.
Tel: 01-623-1053

FINANCIAL CONTROLLER

Neg. To £20k + car + benefits
Eurocamp is the UK's leading tour operator specialising in self-drive camping and caravanning holidays to Europe. The company is part of the NEXT PLC group.

Due to continued expansion, we now require an experienced qualified accountant to join our young and energetic management team as financial controller, responsible to our Finance Director, whose role has now become a more central one.

Preference will be given to candidates, aged up to 40, who can demonstrate previous relevant experience and/or good French language ability. An attractive benefits package will include pension scheme, BUPA, concessionary holidays and annual bonus.

Please apply in writing to:

G.C. Harman F.C.A., Eurocamp Travel Ltd.,
Edmundson House, Tatton Street,
Knutsford, Cheshire WA16 6BG.



RETAIL FINANCIAL CONTROLLER

c.£25,000 + Car
Our client, part of a major public company, are a growing fashion retail organisation with over 40 concessions throughout the UK. They seek a young, ambitious, qualified accountant with the drive and acumen to play a key part in building the future of the company.

In addition to a flair for investigation and analysis, he/she will bring to the job the ability to develop and implement Management reporting systems suited to the particular needs of the business. Unlikely to be more than 35 years old, it is essential that you will have thorough working experience of the retail sector. Reporting to the Chief Executive the successful applicant will be expected to make a direct contribution to strategic decision-making, and it is envisaged that a Board appointment will follow within three years.

To discuss this unique opportunity call Stephanie Preston on 01-434 0175 or send your curriculum vitae to her at the Hamilton Partnership, Hamilton House, 61 Oxford Street, London W1R 0RE.



UNIVERSITY COLLEGE OXFORD COLLEGE ACCOUNTANT

The College wishes to appoint an accountant who, reporting to the Estates Director, carries responsibility for the College's accounts and provides financial management advice.

Experience with computerised accounting is essential and candidates should preferably be qualified accountants or possess relevant experience.

The position requires communication and influencing skills, discretion, self-motivation and an interest in the College's affairs.

Starting salary within the range £14,245 - £21,605 will depend on experience and qualifications. The closing date for applications is Monday 15th February 1988.

Application forms and job descriptions are available from:

Grabson Warby, Personnel Manager, Grant Thornton,
Chartered Accountants, 1 Westminster Way, Oxford, OX2 0PZ,
Ref UC1 (Tel: Oxford 244977).

SE1159

K SHOES

Senior Project Accountant

Lake District

£18,000 package + car

Our client, K Shoes, is the highly profitable, household-name manufacturing and retailing subsidiary of C and J Clark, one of the UK's leading footwear groups. With a 70% of £90m and a history of successive record profits, they are committed to continued expansion, both organically and by acquisition. Reporting directly to the newly appointed Group Head of Finance, the Senior Project Accountant will undertake a variety of high level special assignments including pioneering work in the Company's major review and rationalisation of accounting systems. A high degree of exposure to management of all disciplines and levels within the company is expected and career prospects are excellent both within the Company and the Group.

Candidates, aged 25-30, should be qualified accountants, with strong interpersonal and commercial skills allied to the ability to think quickly and develop creative solutions to business problems. Experience of the retail sector is preferred but not essential. This is a senior management appointment and a commensurate range of benefits, including comprehensive relocation facilities, are available.

Interested applicants should contact Frederick Howie on 061-228 0396, or write quoting ref. 1514 to Michael Page Partnership, Clarendon House, 81 Mosley Street, Manchester M2 3LQ.



Michael Page Partnership

International Recruitment Consultants

London Bristol Windsor St Albans Leatherhead Birmingham Nottingham Manchester Leeds Glasgow & Worldwide
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Director of Finance and Operations Pharmaceuticals



Top Job for High Flyer

Bexley, Kent Exc. Salary & Quality Car & Exec. Benefits

Pharmax Group currently has an opportunity for an experienced pharmaceutical industry executive to join us as Director of Finance and Operations. This is a strategic decision making role from which a general management contribution is expected. Key responsibilities will involve:

- the preparation of financial plans and the consolidation of accounts from the operating divisions including an Irish sister company;
- the management of the interface between the company and the DHSS;
- the direction of the Production, Distribution and Personnel functions;
- the management of the Company's reporting arrangements to its U.S. parent, Forest Laboratories Inc., a dynamic and rapidly growing American company.

We are interested in hearing from qualified, successful up and coming people with good interpersonal skills, and preferably 10 years related industry experience, including multi-unit consolidations, the associated tax implications and a good working knowledge of PPPRS.

An excellent remuneration package is available including salary commensurate with experience, a discretionary bonus, a fully expensed, quality car (including private petrol), BUPA, a non contributory pension scheme and a very attractive share option scheme.

If this opportunity attracts you please send details of your career to the Company's consultant: Richard D Nelson, Manager, Human Resource Services, Stoy Hayward Associates, 8 Baker Street, London W1M 1DA.



Stoy Hayward Associates

MANAGEMENT CONSULTANTS
A member of Horwath & Horwath International

Corporate Recovery Seniors Exciting Opportunity For Talented ACA's Manchester £s Excellent

Our rapidly expanding Corporate Recovery and Insolvency Division covering the North West seeks young and ambitious Seniors to contribute to the next stage of the Division's development.

Reporting to Principal level, you will assume responsibility for a diverse range of corporate viability reviews and monitoring assignments as well as senior level exposure to company receiverships, administrations and liquidations.

Age range 25 to early 30s, you should have clear management potential in the short term and the ambition to succeed in a busy and growth orientated environment.

Interested candidates should send their full CV and current salary details in confidence to Ken Chalk, Spicer & Oppenheim, Derby House, Booth Street, Manchester, M60 2ED.



SPICER & OPPENHEIM

A MEMBER OF SPICER & OPPENHEIM INTERNATIONAL

MANAGEMENT ACCOUNTING MANAGER

£30,000 + CAR

MILTON KEYNES

The group is a market leader in the personal financial services sector, having created a high level of brand awareness in the minds of consumers. A major British public company, it employs around 6,000 people and has embarked on a programme of expansion through product development and acquisition.

A substantial part of the management accounting function is centralised to achieve economies of scale and owing to the complexities of the business. The Management Accounting Manager has responsibility for the management of the centralised team of 15 people in a highly automated environment. The focus of the role is on systems development, man management and the building of

effective relationships with the business units.

The successful candidate will be a qualified accountant aged between 30 and 45. Man management experience and recent exposure to sophisticated information systems in a large company environment are essential. On a personal level, you should have good communications and leadership skills and the potential and drive to develop in this successful group.

Please reply in confidence giving concise career, personal and salary details to Heather Male, quoting Ref: L332, at Slade Egor International, Metro House, 58 St. James's Street, London SW1A 1LD. Tel: 01-629 8070.

International Search and Selection

SLADE EGOR INTERNATIONAL

Regional Financial Accountant

Neg. from £20K + Car Feltham

Our client - a remarkably successful US transportation company - is looking at present for an experienced and resourceful qualified Accountant to undertake and supervise the financial management of its European offices.

This is an ideal opportunity for a self-sufficient and self-motivated Accountant to make a significant contribution to business success.

A major task will be the development, control and co-ordination of accounting systems and practices in line with US International standards.

Equally important will be supervision of the regular flow of financial information, co-ordination of overseas tax compliance activities and cash management.

To cope successfully with a large range of both long-term and short-term responsibilities, you will need five to seven years' general business experience, including

a proven strength in implementing accounting controls. A background knowledge of US living conditions, business practices or education would be very useful. In addition you should be prepared to travel extensively and a knowledge of German and/or French would be helpful.

The salary will be negotiable from £20K and a car. A full range of benefits commensurate with UK standards will be provided.

To apply, please write, enclosing a full C.V. and details of current salary to Bob Gunning at Austin Knight Selection, 17 St. Helen's Place, London EC3A 6AS or telephone him on 01-628 5021 for more details. Please quote Ref. No.: 127/JRG/88.



FINANCE AND COMMERCIAL SERVICES MANAGER

E. Midlands £22,000 neg. + Car

This small subsidiary of a major multi-national is regarded as a leading force in agricultural chemicals. It is marketing led and utilises the latest computer systems to support its financial and commercial services.

The Finance and Commercial Manager - as a member of the Management Board - will contribute to the definition and implementation of company objectives and plans and will be directly responsible, not only for the financial management of the company but also for its administration and personnel management.

Applicants must be qualified Accountants, aged 30-45, with experience of small computer systems and the ability to lead and motivate a small team. Mature interpersonal skills, sound communication ability and a pragmatic approach to problem solving are essential pre-requisites for success.

This position offers an unusual opportunity - in a delightful rural environment - to develop management skills across a range of disciplines. Opportunities for promotion to the parent company will be available.

The salary of £22,000 p.a. is negotiable for the right candidate and the company car is fully expensed.

Please write with full career details quoting reference B/102/88 to Morag Lloyd.



Peat Marwick McLintock

Executive Selection

Arlon House, Salisbury Road, Leicester LE1 7QS. (0533) 471122



PROCTER & GAMBLE LIMITED
Richardson Vicks Limited - Norwich Eaton Limited

Group Taxation Manager

Newcastle upon Tyne

Procter & Gamble Limited, Richardson-Vicks Limited and Norwich Eaton Limited are the principal UK operating subsidiaries of one of the world's major international companies, marketing a wide range of products in over 150 countries. The main activities in the UK are in the areas of soaps and detergents, health and personal care, and pharmaceuticals. Development plans for the present Group Taxation Manager necessitate the appointment of his successor who will be responsible, on a day-to-day basis, for advising all levels of management on the tax implications of company policy and investment decisions. This will include responsibility for the Corporate Tax planning for the UK companies and compliance work.

The successful candidate will be of graduate intellect and have experience of Corporation Tax Management in an industrial environment, a professional office or in the Inland Revenue. Proven technical ability, strong communication skills and the potential to contribute effectively to the overall management of the business are essential pre-requisites.

Comprehensive relocation facilities, where applicable, are available for those moving into the area. Interested applicants should write to Angela McDermott, quoting ref: LS416, at Michael Page Partnership, Leigh House, 28-32 St. Paul's Street, Leeds LS1 2PZ. (Tel: 0532 450212).



Michael Page Partnership

International Recruitment Consultants

London Bristol Windsor St Albans Leatherhead Birmingham Nottingham Manchester Leeds Glasgow & Worldwide
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Handwritten note: *WPH/10/1/88*

Manager, Internal Audit

Dubai Banking c£40K tax free

This financially sound, profitable and developing Arab bank operates internationally and wishes to appoint a Manager, Internal Audit. He will report to the Chief Executive and be assisted by a team of professional accountants. Major responsibilities will cover conducting branch audits, suggesting practical ways of enhancing systems and guiding line managers on subsequent implementation. This challenging role needs a pro-

fessionally qualified accountant with experience of bank audits which may have been gained via the profession or in a bank. The benefits are excellent and include car, free furnished accommodation, annual air fares, generous leave, and school fees. Please reply in confidence to A Tinknell, WBH Recruitment, Alliance House, 63 St Martin's Lane, London WC2N 4JX, quoting reference 1409.

WBH Recruitment

PO BOX 275, 63 ST MARTIN'S LANE, LONDON WC2N 4JX

Financial Controller

To £23,000 plus benefits
Central London NEW POSITION

Our client is a very colourful and highly profitable company which specialises mainly in quality photographic work for some very prestigious organisations.

The environment is one of creative freedom and expression. Open plan and open minded, it's young and progressive yet relaxed and artistic. More importantly, it's very productive, yielding excellent results and expanding and diversifying rapidly.

There is now an urgent need for an exceptional Accountant to take responsibility for all financial/management accounting, systems development and controls. As the most senior Finance Professional, you will work closely with Directors and be very involved in the business itself, contributing your ideas for its continuing growth.

You will need sharp commercial acumen and experience, a hands-on approach and the ability to function as an integral team member and leader.

You will be aged 25 plus, and seeking an employer who will recognise and reward your efforts in developing the group.

Send your details immediately, quoting ref. 1157 to Le Tisserier Executive Selection, 81/83 House, 37 Dover Street, London W1K 3RB. Tel: (01) 409 1343 (24 hrs).

LE TISSERIER
Executive Selection



FINANCIAL ANALYST - OVERSEAS TRAVEL

Newly/Recently Qualified

Central London £20,000-£23,000 + Car

Gain valuable experience within the Business Development Department of this highly profitable £200-million to energy multinational.

Working within a particularly team-orientated environment, you will become involved in strategic planning, including ten year forecasts for North Sea operations, whilst liaising with local engineering groups and joint venture partners. This challenging and varied position offers the opportunity of some overseas travel, possibly to Norway, Indonesia, Australia or China.

A newly/recently qualified accountant in your mid 20's, you will be keen to develop your career within an organisation enjoying a steep growth curve.

Career development will be in line with this expansion, offering broad scope for a Financial Controlling role, either in the UK or overseas, within the short to medium term. Contact NICOLA LENDRUM, Ref: 5005

Alderwick Peachell
PARTNERS LTD

ALDERWICK PEACHELL and PARTNERS LTD, Financial and Accountancy Recruitment, 125 High Holborn, London WC1V 6QA. Tel: 01-404 3155.

Financial Accountant

Europe/Middle East/Africa
to £22,500

This position is based in the London office of the EMA Division of a substantial American high technology multinational whose activities in the region include a major manufacturing centre and marketing, sales and after sales service in approximately 20 territories. The region is dynamically managed by a small high calibre top team which has recently restructured the businesses to strengthen still further the leading position in the marketplace.

The Financial Accountant will have a varied role which will include responsibility for the consolidation of monthly reporting for the region and preparation of analysis and commentary for management; accounting policies and procedures; reviews of the international tax position of the European companies and the preparation of UK computations; and a variety of ad hoc projects throughout the region.

Applicants should be recently qualified accountants with experience of US accounting conventions gained either in the profession or with another US multinational. The versatility to work in a small high calibre team is important. Please apply in confidence quoting ref. L354 to:

Brian H. Mason
Mason & Nurse Associates
1 Lancaster Place, Strand
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of divisional business plans and budgets and to assess trends in order to produce forecasts and identify areas of potential savings. A numerate, analytical graduate, you should already be an experienced Business Analyst with a relevant industry background and preferably a fully qualified accountant. The self-confidence and communication skills to build productive relationships at all levels is essential. For one of the posts, a financial background in a Computer Engineering environment would be of particular interest. An excellent salary is offered together with a company car and wide-ranging benefits which include pension, free life assurance, private medical plan, a stock purchase scheme and 25 days' annual leave. Please write with full career details to Clare Reilly, Wang (UK) Limited, Wang House, 1700 Great West Road, Brentford, Middlesex TW8 9HL, or telephone 01-847 1954 (24-hour answering service) for an application form.



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Please send full CV, which will be forwarded to our client unopened. (Address to our Security Manager if listing companies to which it should not be sent). Ref: B95471FT.



6 Highfield Road, Edgbaston, Birmingham B15 3DJ Tel: 021-454 5791

Company Notices

New Zealand

US \$ 350,000,000 Floating Rate Notes due 2001

In accordance with the Terms and Conditions of the Notes, notice is hereby given that for the fifth interest period from February 4, 1988 to August 4, 1988 the Notes will carry an interest rate of 6.984 % p.a.

The interest payable on the relevant interest payment date, August 4, 1988 against coupon n° 5 will be US \$ 353.08 per Note of US \$ 100,000 nominal and US \$ 3,530.80 per Note of US \$ 1,000,000 nominal.

The Reference Agent
KREDIETBANK
S.A. (N.V.) ROTTERDAM

Blair Athol Finance Limited Guaranteed Floating Rate Notes Due 1994

Notice is given that the rate of interest for the period 4th February, 1988 to 4th August, 1988 has been fixed at 7.15 per cent. The amount payable against coupon no.2 will be US\$ 1,807.36

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Legal Notices

NOTICE OF AN EVENT OF DEFAULT MORAN INTERNATIONAL ENERGY, N.V., 8% CONVERTIBLE SUBORDINATED DEBENTURES DUE 1988

This NOTICE OF AN EVENT OF DEFAULT pursuant to Section 5.01 of the indenture dated November 1, 1980 among MORAN INTERNATIONAL ENERGY N.V. (the "Company"), MORAN ENERGY INC. (the "Guarantor"), and KANES SERVICES, INC. (the "Successor Trustee") and FIRST CITY NATIONAL BANK, TRUSTEE OF THE TRUST, as supplemented by the First Supplemental Indenture dated March 30, 1984 among the Company, the Guarantor, and the Trustee (the "Indenture"), is made and published by FIRST INTERSTATE BANK OF TEXAS, N.A. (formerly known as ALLIED BANK OF TEXAS, SUCCESSOR TRUSTEE OF THE "Successor Trustee") pursuant to the certain Four Party Agreement dated January 30, 1987 among the Guarantor, the Trustee, and the Successor Trustee.

The Company has failed to pay to the Successor Trustee in interest payments, which under terms of the Indenture was due on November 1, 1987, and the Company has not paid the November 1, 1987 interest payment within a period of thirty days after the payment was due. Such failure to pay within thirty days after such due date constitutes an event of default pursuant to Section 5.01 of the Indenture. Additionally, the Successor Trustee has been informed that there have been events of default under terms of indebtedness owed by an affiliate of the Guarantor, and such events of default may prohibit the making of any payment of interest by the Successor Trustee in respect of the Indenture. Pursuant to Section 5.01 of the Indenture, if an event of default occurs and is continuing, then either the Successor Trustee or the holders of not less than 25% in aggregate principal amount of the debentures pursuant to Section 5.05 of the Indenture) by appropriate written notice declare the principal of all the debentures to be due and payable immediately. However, full of this date the Successor Trustee has not declared the principal of the debentures due and payable as a result of such default.

Additional written inquiries may be directed to the Successor Trustee at the following address: First Interstate Bank of Texas, N.A., Corporate Trust Department, First Interstate Bank Plaza, 8th Floor, 1000 Louisiana, Houston, Texas 77002.

FIRST INTERSTATE BANK OF TEXAS, N.A.

MEGAS AUDIO SYSTEMS LIMITED

In accordance with rule 4.105 of the Insolvency Rules 1986 notice is hereby given that I was appointed Liquidator of the above company by the creditors on 6 January 1988.

NOTICE OF MEETING OF CREDITORS Company No 2822488 Registered in England IN THE MATTER OF THE INSOLVENCY ACT 1986

IN THE MATTER OF CHELSEAFOOT LIMITED TIA PHOTO-GRAPHICS Registered office: 102 Fulgiate Derby DE1 1PH

NOTICE IS HEREBY GIVEN pursuant to Section 96 of the Insolvency Act 1986 that a meeting of the creditors of the above-named company will be held at The Albany Hotel, 128 King Henry's Road, Baker-Cottage, London NW3 on 12th February 1988 at 11.30 a.m. for the purpose specified in Section 96, 100 and 101 of the Insolvency Act 1986.

Forms of proxy if intended to be used, must be duly completed and lodged at 102 Fulgiate Derby DE1 1PH not later than 12 noon on 11th February 1988. Creditors must also bring documents of their claims at 102 Fulgiate Derby DE1 1PH if they wish to vote the meeting.

Notice is also given that secured creditors (unless they surrender their security) must file particulars of their security, the value if it was given and its value if they wish to vote at the meeting.

A list of the names and addresses of the company's creditors will be available for inspection on 12th February 1988 and 13th February 1988 between 9.30 a.m. and 5.30 p.m. at Fulgiate, King Henry's Road, Baker Cottage, 78 Hillton Gardens, London E8 3JA.

Dated this 28th day of January 1988 By order of the Board W P Weston, Director

FRO-LEC RUBBER & PLASTIC LIMITED

Registered number: 1023160 Nature of business: Rubber and Plastic Products and Injection Mouldings Trade classification: 11

Date of appointment of Joint Administrators: 26 January 1988 Name of person appointing the joint administrative receivers: National Westminster Bank PLC. JOHN FREDERICK POWELL and CHRISTOPHER JOHN HUGHES Joint Administrative Receivers (CRS holder nos 948 and 141) Cork Quay 42, Temple Row Birmingham B2 6JT

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SECTION II - COMPANIES AND MARKETS FINANCIAL TIMES

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Small final quarter advance to \$562m for Sears Roebuck

BY ANATOLE KALETSKY IN NEW YORK

SEARS ROEBUCK, the largest US retailing and consumer financial services group, predicted that consumer spending would accelerate in the year ahead, despite recent signs of a slowdown in the US economy, as it revealed a modest rise in fourth-quarter profits.

Net profits were \$562m or \$1.46 a share in the final quarter, compared with \$543m or \$1.46 a year earlier. Full year profits were up 22.3 per cent to \$1.65bn or \$4.35.

Fourth-quarter revenues rose by 8.3 per cent to \$14.5bn, while annual revenues increased 9.4 per cent to a record \$48.44bn. The 1987 profits included net realised after-tax capital gains and other unusual income of \$30m, compared with \$27m in 1986.

Mr Edward Brennan, chairman, said he expected 1988 to be "a good year for consumers and the economy. He forecast that US sales in the general merchandise industry would advance by 5.8 per cent in 1988, compared with 5.2 per cent last year, largely as a result of faster disposable income growth for consumers.

Disposable income would benefit this year from a combination of lower tax rates and large tax refunds, he predicted. The Sears merchandise group,

Bouygues increases 15% to FF640m

BY PAUL BETS IN PARIS

Bouygues, the leading French construction group, yesterday reported a 15 per cent increase in group net profits to FF640m (\$112.8m) last year from FF556m the year before.

However, earnings excluding minority interests rose by only 1 per cent to FF486m last year from FF481m in 1986.

Group sales rose by 12 per cent to FF4.4bn last year from FF3.9bn the previous year. The 1987 sales included for the first time the turnover of FF3.9bn of TP-1, France's leading national television network controlled by Bouygues.

The company expects a modest rise in group sales this year to FF5.2bn. The group's domestic construction business is expected to have flat sales of FF2.3bn this year while turnover in the international construction business is expected to decline to FF1.6bn from FF1.9bn last year.

Property activities are expected to continue to grow this year, while the group expects little change in its offshore service activities, which continue to face a difficult international environment.

Arco wins control of Tricentrol for £187m

BY STEVEN BUTLER IN LONDON

TRICENTROL, the UK oil company, yesterday ended its struggle to remain independent when the company's board recommended a £187m (\$336.6m) takeover bid from Atlantic Richfield, the US oil company.

Arco moved swiftly after announcement of the offer in the late afternoon to take a dominating position, and raised its stake in Tricentrol to 47 per cent by early evening. Arco bought in the market at \$2 per share, the price at which the bid was agreed.

S.G. Warburg, acting for Arco in the deal, said majority control of Tricentrol was expected before the day was out. Tricentrol is advised by Morgan Grenfell.

Arco's prompt action prevented the possibility of a rival bid by Elf Aquitaine of France, which had made a final offer for Tricentrol of 160p per share, due to expire on February 12. Elf managed to accumulate just 8 per cent of Tricentrol, with most shares bought at 145p, and was considered in any case unlikely to match the higher offer by Arco.

Arco had built up a 14.8 per cent stake in Tricentrol a week earlier in a lightening round of buying at 180p per share timed to follow by minutes the announcement of Elf's final bid.

Mr James Longcroft, chairman of Tricentrol, flew to New York and met the Arco chairman, Mr Lodwick Cook on Tuesday afternoon. Mr Longcroft was told he faced a choice of a hostile bid at 180p per share or an agreed bid at 200p. The deal was approved by the boards of the two companies yesterday morning.

The price was considered high in the City of London, despite a net asset valuation of Tricentrol prepared by Robertson ERC valuing the company at 234p a share.

Mr Piers von Simson, of Warburg said tax efficiency would be achieved by combining Tricentrol with Arco's North Sea exploration activity.

Steven Butler in London examines the strategy behind Atlantic Richfield's agreed bid for Tricentrol

A case of timely stock market wizardry

CONSPIRACY theorists would have fun explaining the shift in interest by Atlantic Richfield, the US oil company, from Elf to Tricentrol, both UK oil exploration and production companies with extensive interests in North Sea acreage.

It would almost appear as though Elf, now set to take over Britoil, decided that Tricentrol - whose chairman Mr James Longcroft yesterday gave up the struggle to stay independent in the face of Arco's 200p a share bid - would be just the thing to fix. Arco to make this potential rival bidder smile and go away.

Of course, it almost certainly did not happen that way, even though Arco's £134m (\$241m) profit on its sale of Britoil shares to Elf will cover most of the cost of its agreed £187m bid for Tricentrol.

Rather, the stock market wizardry that may land Arco an attractive portfolio of North Sea oil assets for very little money is probably more the product of circumstances than cunning. The stock market play is simply the latest stage in the development of an oil company that three years ago moved financially to rediscover its roots.

After a severe and bold effort to trim back Arco's far-flung mining, oil marketing and refining businesses across the US, Arco has now regained the confidence to begin expanding again.



James Longcroft giving up the struggle

"We wanted to make us in a \$20 kind of world as good on an earnings per share basis as we were in a \$30 kind of world," says Mr Lodwick Cook, chairman and chief executive of Arco. "Our whole thrust is not necessarily to be the biggest but to be the most profitable."

Mr Cook is referring to the price of oil, of course, and he says that Arco has largely achieved its goal. Earnings per share in last year reached \$6.68, compared to \$3.38 in 1986 year, and a record of \$6.90 in 1985 in a year of robust oil prices. That makes Arco the most profitable big oil company in the US, says Mr Cook, with a 22 per cent return on equity funds compared to an industry average of 12 per cent.

Arco's bold move in 1985 was to bid for the farm on a sharp drop in oil prices, which subsequently happened, and to decide that there was no point in trying to be a big, integrated oil company, whose appetite for expansion knew no geographic bounds.

Instead, Arco decided to shrink itself by selling off all its oil marketing businesses east of the Mississippi River in the US and a big chunk of its refining capacity. It earmarked \$4bn to become smaller by buying back its own stock, a programme that was cleverly suspended in early 1987 with \$60m to go, and restarted after the October collapse in share prices.

Arco turned back from becoming a big integrated oil company to an exploration and production company also active in highly selective, and profitable, downstream activities. It maintains a dominant position in petrol marketing in California, where it has turned a tidy profit by combining filling stations with convenience grocery stores.

It operates what may be the world's largest coal mine in Wyoming's Powder River Basin, and has a range of profitable special chemical plants, which are pared down from a larger operation.

Arco did not grow up with the major oil companies, but joined their ranks suddenly when it discovered the shift in US oilfields in 1968 at Prudhoe Bay, in a partnership with BP. It trod heavily down the diversification route in the 1970s when, like many big oil companies, it sought an investment outlet for its enormous cash flow, as well as an answer to the question of what to do when the oil runs out.

But like the other big oil companies, it produced lacklustre results in other lines of business, and eventually sold Anacosta, the US metals and mining company.

Yet now, after its drastic shrinking exercise, Arco must face the question of how to face the future when its business depends on a declining resource. The answer, according to Mr Cook, is rather plain: "We are a hydrocarbon resources company," he says.

And that means that Arco must move to replace the huge reserves of North Slope Alaskan crude oil that are rapidly flowing out of the ground. In the long run, the question for Arco is not just the margin of returns - the industry itself places little dog faith in the discounted cash flow models used to value oil assets - but corporate survival as an oil company.

Of course, margins of returns and the cost of assets do matter, and that is why Arco is moving now to secure its future. In retrospect, 1986 would have proved better timing. Then the market for oil company shares was deeply depressed because of collapse of oil prices. But it was also time when the oil companies lost their nerve as they watched profits plummet.

"We've regained our confidence," says Mr Cook, with a slight chuckle.

With stock market prices depressed following the October collapse in share prices the gap between the market's relatively short-term view of investment values, and the oil company's longer time horizons has become pronounced. Arco is buying for the 1990s, on the broad assumption that oil prices will remain firm in the short term, and have nowhere to go but up.

The big splash that Arco is making on the London stock market mirrors a large increase this year in Arco's capital spending. This is now budgeted at \$2bn for this year, compared with \$1.7bn last year, and \$1.4bn the year before. The 1986 figure had been slashed deeply from the year before.

Although some of that increase is budgeted for overseas exploration and production the bulk is for Alaska and the continental US, where Arco experienced considerable exploration success in 1987. The exploration budget alone will rise by 46 per cent to \$341m.

Inco rebounds into profit

BY KENNETH GOODING, MINING CORRESPONDENT, IN LONDON

IMPROVED PRICES and increased deliveries helped Inco, the world's major nickel supplier, lift fourth-quarter net earnings year to US\$75m or 70 cents a share, bringing full-year earnings to \$125m or \$1.09 a share.

This compares with a 1986 fourth-quarter net loss of \$6.5m or 10 cents a share and earnings of \$200,000 (representing a 16 cents a share loss) for last year as a whole.

The company's average realised prices per pound of pri-

Carlton Paper drops to R14m

BY JIM JONES IN JOHANNESBURG

DIFFICULT trading conditions cut profits last year at Carlton Paper, the South African newsprint company, to R14m from R221.7m (\$111.4m) in 1986. Although turnover rose to R221.7m (\$111.4m) from R198.6m, pre-tax profits dropped to R14.8m from R15.6m.

Mr Keith Partridge, managing director, said there was little growth in real consumption expenditure last year. Excess capacity and intense competition resulted in selling prices lagging behind increases in the cost of raw materials and labour.

Chrysler joins MTN market

BY ALEXANDER NICOLL IN LONDON

CHRYSLER FINANCIAL, one of the largest issuers in the European debt market, is expected shortly to launch a \$250m programme to issue medium-term notes (MTN) in the Euromarkets.

Merrill Lynch will be the arranger for the programme, with several other dealers. These will not necessarily be the same as for Chrysler's Eurocommercial paper.

The arrival of Chrysler Financial is likely to give a further boost to the MTN market.

USG slips to \$17m in fourth quarter

Earnings for 1987 were \$204.3m or \$3.96 a share, including an after-tax charge of \$30.1m, against \$255.6m or \$3.54. Cost-cutting measures in 1987 included a \$5.6m charge from an incentive retirement programme in the third quarter. Sales rose from \$2.72bn to \$2.9bn.

Offsetting the charge in 1987, was a gain of about \$30m or 58 cents from a secondary offering of about 25 per cent of the former Canadian Gypsum.

USG said current market projections for construction markets were good. Residential housing starts and non-residential opportunities for USG should be down somewhat from 1987, it said.

CPC International, the US grocery products group, reported fourth-quarter earnings of \$77m or 96 cents a share, up from \$73.5m or 80 cents in the same period of 1986.

For all 1987, CPC earned \$354.8m, or \$4.34 a share, up from \$219.2m or \$2.30 in 1986.

CPC said it expects to report higher earnings in 1988 due to lower debt costs and stronger results in its restructured food operations.

Nick Garnett looks at the background to the merger between Dresser and Komatsu A link of earth-moving proportions

IN THE bitterly competitive but incestuous construction equipment industry, manufacturers tend to pride themselves on knowing what discussions their competitors are having and with whom.

However, this week's deal between Texas-based Dresser Industries and Komatsu of Japan - which will pool their North and South American marketing and manufacturing activities in earthmoving machinery - came as a surprise, bordering on shock for the rest of the business.

Rumours have been around for the past two weeks that Dresser and Komatsu might be up to something but hardly anyone was expecting a dramatic announcement that the two companies would form a joint company.

Most of the senior managers at Komatsu's Chattanooga plant in Georgia and at Dresser's big Libertyville site in Illinois were also in the dark about the discussions.

Joint deals are nothing new in this industry. Indeed the company structure in machinery making is being reshaped almost out of recognition through a series of mammoth joint ventures and co-operation agreements. These involve some of the biggest Japanese and US producers as well as many of the smaller niche manufacturers in Europe.

Observers, however, were at first bemused when news of the Komatsu-Dresser deal was announced, partly because the two companies have a huge overlap in products, including large dump trucks, wheel loaders and crawler equipment.

But as the dust settles, two conclusions about the deal, which will create a venture with 6,000 employees and annual sales of \$1.1bn, are beginning to emerge. One is

that Komatsu gets most out of it, marking another step in its recently floundering attempt to challenge the mighty Caterpillar, the world's largest machinery maker, in Cat's domestic market. The other is that it probably signals the first moves by Dresser to get out of the construction machinery industry.

This last point is vehemently denied by Dresser, whose construction machinery sales are worth about \$700m, dwarfed by its oil industry supply interests where it has recently been expanding.

Mr Chuck Yengst, a San Francisco-based equipment analyst, said: "I think we'll have to take that denial with a tongue in the cheek for the next couple of years. I think the evolutionary outcome of this will be for Dresser to get out of the whole construction equipment business, leaving it to Komatsu."

The deal involves setting up a single company covering manufacturing, engineering and marketing in North and Central America. This includes Dresser's plant at Libertyville and two smaller Dresser operations in Canada, Komatsu's Chattanooga site and the plants run by Komatsu and Dresser in Brazil.

It does not include Dresser's Marion power shovel business or its mining machinery division at Jeffrey, Ohio. The two companies' European operations, which include a Dresser plant at Heidelberg, West Germany and Komatsu's



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INTERNATIONAL COMPANIES AND FINANCE



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Thyssen forecasts upturn in earnings

By David Marsh in Bonn

THYSSEN, THE West German steel and engineering concern, expects improved profits for the year ending September 1988.

Mr Dieter Spethmann, chairman, said profits had performed satisfactorily in the first quarter, although he gave no figures. Last year, group earnings dipped to DM302m (\$179.7m) from DM370m.

Group turnover in the first quarter of 1987-88 rose to DM2.26bn a month on average, from the corresponding 1986-87 average figure of DM2.21bn. However, the two figures are not fully comparable because of changes in composition of the consolidated group.

Total group turnover last year rose to DM19.2bn from DM32bn in 1985-86, mainly as a result of the sharp fall in the dollar.

Mr Spethmann said last year's profits fell due entirely to losses in the steel sector, which turned in a deficit before tax of DM126m in 1986-87, against a DM288m profit the previous year.

Other sectors showed increased profits, with capital goods and manufacturing chalking up earnings of DM209m against DM276m in 1985-86, trade and services DM83m (DM68m) and special steels DM163m (DM47m).

Thyssen added only DM127m to reserves last year, against DM192m for 1985-86, but is paying an unchanged DM5 dividend to shareholders.

Mr Spethmann said his expectations for 1987-88 were "positive" but added the strength of the D-Mark was causing problems in spite of the cheapening effect on purchases of raw materials and fuel.

Mr Helmut Kriwet, head of Thyssen's basic steel activities, which have been separated into a distinct company, said the steel business had been back in the black since mid-1987 as a result of cuts in the workforce and capacity.

Thyssen is involved in a controversial plan to group together steel production with Mannesmann and Krupp in the Duisburg steel town on the Ruhr.

Air Inter plans external service

By Paul Botts in Paris

AIR INTER, the French domestic airline, is planning this year to branch out of France for the first time with a regular service between Paris and another European capital.

The move - involving cooperation with Air France, which owns 36 per cent of Air Inter - is in response to increasing deregulation in the European airline industry.

A protracted strike by French air traffic controllers and internal labour unrest were largely responsible for a fall in Air Inter's net earnings last year to FF90m (\$15.8m) from FF116m the year before.

Passenger traffic grew by 8.5 per cent, while freight increased by 28 per cent. Load factor was 69.3 per cent.

John Wyles on Italian investors' outrage over the Ferruzzi affair

Milan bourse votes with its feet

SCANDALS, or just severe embarrassments, have often provided impetus for change in Italy in the 1980's.

It may well be that the controversial Ferruzzi-Montedison reorganisation may eventually bring Italian financial custom and practice more into line with the rest of Europe.

With the Milan stock market index now a distant 5.35 per cent below last Friday's close, having fallen another 3.12 per cent yesterday, a lot of important people are running for cover.

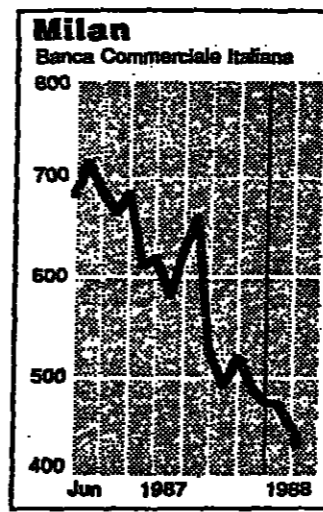
One would have given more than a penny for the private thoughts of Mr Raul Gardini, chairman of the Ferruzzi group, as he watched Montedison shares being traded at below their nominal value yesterday.

After inserting advertisements into yesterday's newspapers offering financial details which he did not see fit to mention at a press conference in Milan last Saturday, Mr Gardini believes he has provided a full explanation of his plans for slotting Montedison and its associated companies into the Ferruzzi empire.

The huge sell-off in both Ferruzzi and Montedison companies controlled by his group is largely "speculation" according to the Rome newspaper *Il Messaggero* in an editorial.

His call for an inquiry into Monday and Tuesday's trading in his companies suggests he shares the market's view.

The disarray in the market over the last three days, the apparent absence of a strong



in January withdrawals exceeded new investment by five to one.

Few analysts see them recovering anything like their previous investment strength unless the interests of minority investors are seen to be better protected.

The widespread conviction in Milan and Rome is that it is these shareholders who are being exploited by Mr Gardini. When he took over the running of Montedison in December he had been expected to announce a restructuring based on asset sales aimed at reducing the chemical and pharmaceutical group's substantial L7,700bn (\$6.22bn) debt.

Instead, he is seeking to reduce the debt by raising about L2,000bn from Montedison shareholders.

At the head of a complicated series of share swaps he is offering 15 shares of Ferruzzi Finanziaria, his family holding, for every four of *Iniziativa Meta*, the insurance and financial services unit, on the basis of valuations which analysts believe still need explaining.

Mr Gardini has finally revealed capital valuation figures for the two companies without providing the means for judging whether or not they are reasonable.

Minority shareholders in Montedison, reportedly 100,000 of them, are being asked to accept paper in return for surrendering their share of *Meta*, the public value of which will remain a mystery until Ferruzzi Finanziaria applies for a stock exchange listing.

There are no Italian regulations which required Mr Gar-

dini to clear his proposals in advance of their announcement with any public authority, once they are adopted by the boards of the various companies he controls.

There is no apparent requirement that his valuations should first be checked by independent auditors before being announced.

Although the proposals must be adopted by the shareholders of the companies concerned, Mr Gardini has the votes to push them through.

In the Milan exchange there is a strong school of thought which says that the plan's architect, Mr Enrico Cuccia, the high priest of the all-powerful merchant bank, Mediobanca, does not give a fig for the stock market nor its reputation.

Now approaching 80, Mr Cuccia has not often been disciplined by the market, but his freedom to operate may have been constrained now and then by its enhanced importance in recent years.

The best hope, although one not shared by pessimists in Milan, is that a better regulation may arise from the Ferruzzi-Montedison affair.

Leading companies such as Fiat, Pirelli, Olivetti and others have come to rely on the stock market and must be disturbed by the present events.

It must have been painful for Mr Gianni Agnelli, Fiat president, to watch his company's shares fall below L5,000 yesterday, five days after announcing record profits. If Mr Agnelli demands reform, others will think long and hard before refusing him.

ABV rejects SKr2.2bn bid by Nordstjernan

By Sara Webb in Stockholm

THE BOARD of ABV, Sweden's second largest construction group, yesterday refused to back the SKr2.2bn (\$364.3m) takeover bid made last Friday by Nordstjernan, the country's largest privately-owned company.

Mr Bjorn Wahlstrom, ABV's chairman, said the takeover was not in the interest of either ABV or its shareholders.

The ABV board will now wait until Nordstjernan has sent out its prospectus to ABV shareholders in May and will then reconsider the bid. The construction group intends to send out an independent evaluation of Nordstjernan's offer after this.

Nordstjernan, which has interests in shipping, steel, real estate and construction, wants to merge ABV with its own construction subsidiary, JCC, to create a construction company capable of challenging Skanska, Sweden's largest construction group.

The ABV board believes it can rely on the support of the ABV pension and share funds as well as the insurance and pension groups which control about 36 per cent of the votes.

Nordstjernan has 35 per cent of the ABV votes and 18 per cent of the share capital, and is

already in a position to demand a seat on the board.

Mr Wahlstrom said yesterday: "The merger might be good for Nordstjernan and JCC but it is not in the interests of ABV. I hope shareholders will listen to us."

Over the last two years, the ABV management has restructured certain loss-making divisions, chiefly in its overseas operations, and believes it is now in a stronger position to develop independently.

"The Swedish building and construction sector needs to be rationalised," Mr Wahlstrom said.

He added that, as JCC and ABV were competitors both geographically and in product areas, he could not see any advantages in a merger.

One problem has been evaluating the Nordstjernan offer, which is either a pure cash offer of SKr225 per share or a cash and share offer.

The pure cash offer represents a premium of about 10 per cent which ABV sees as far too low, while it says the share and cash offer is difficult to evaluate as Nordstjernan shares are not tradeable on the stock market.

Nordstjernan is hoping to secure a listing on the stock exchange eventually. The company said yesterday it had no plans to withdraw its offer, in spite of its frosty reception.

Andelsbanken boosts profits

By Hilary Barnes in Copenhagen

ANDELSBANKEN, THE first of the large Danish banks to publish 1987 results, has increased operating profits before provisions from DKr802m (\$125.3m) to DKr931m. It plans an unchanged 15 per cent dividend.

The bank has shown rapid growth in recent years, but in 1987 total assets declined by DKr4.7bn to DKr47.9bn. Advances were down by 0.6 per cent to DKr25.7bn but deposits increased by 0.5 per cent to DKr24.6bn.

The bank has set aside DKr477m for depreciation and provisions.

LVMH MOÛT HENNESSY . LOUIS VUITTON

18% RISE IN 1987 CONSOLIDATED SALES

LVMH Moët Hennessy Louis Vuitton announced 1987 preliminary consolidated net sales of FF 13,170 million, an increase of 17.8% over pro forma 1986 net sales. Net Income for 1987 should be in line with earlier company forecasts.

By sector of activity, 1987 net sales broke down as follows:

In Million FF	1987	87/86 % change
Champagne & Wines	4,468	+ 4.2%
Cognac & Spirits	2,876	+ 20.3%
Perfumes & Cosmetics	3,202	+ 19.5%
Luggage, leather goods & accessories	2,347	+ 34.4%
Other	277	-
	13,170	+ 17.8%

At its January 22 meeting, the company's Board of Directors approved a FF 9.00 interim dividend (net of FF 4.50 "avoir fiscal" tax credit) payable on February 1, 1988. Taking into account the September 1987 six-for-five stock split, this interim dividend represents a 20% increase over the prior year's interim distribution.

The Board also confirmed that it has established a US\$ 400 million multiple option facility (MOF), providing LVMH with a five-year commitment for short-term lines of credit.

Finally, the company announced that, on January 22, 1988 trading in LVMH's shares was transferred to the Paris Bourse's continuous session exchange (marché continu).

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has acquired through a wholly-owned subsidiary

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LAZARD FRÈRES & Co.

February 2, 1988

Weekly net asset value 1/2

Tokyo Pacific Holdings (Seaboard) NV

was US 157.51

Listed on the Amsterdam Stock Exchange

Information: Person, Holding & Person NV, Heerenstraat 214, 1016 BS Amsterdam, Tel. + 31 - 20 - 211188.

Weekly net asset value on 29/1

Europe Growth Fund

was Dfl. 37.71

Listed on the Amsterdam Stock Exchange

Information: Person, Holding & Person NV, Heerenstraat 214, 1016 BS Amsterdam, Tel. + 31 - 20 - 211188.

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February 4, 1988, London

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Foreign & Colonial Offshore funds

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INTERNATIONAL COMPANIES AND FINANCE

Chloride Eastern makes private placement

BY JOHN ELLIOTT IN NEW DELHI

MERRILL LYNCH and Citibank have organised a \$9.2m (\$16.3m) private placement of shares in Chloride Eastern, a new Singapore-based company, which will enable India's Birla family to go ahead with a partial takeover of Chloride UK's Indian and other Asian interests after three months' delay.

enable Chloride UK to sell half its 51 per cent stake in Chloride India, plus other smaller Asian interests, to Mr Birla and his associates for \$18.2m. Mr Birla has also become chairman of Chloride India which has a turnover of about Rs1bn (\$76.6m) a year.

Plans for a share flotation were halted last November by the world stock market crash. The private placement has now been organised to enable Chloride UK to receive about half the total \$18.2m. The remain-

der will be produced through a later public share issue. The deal which has run into trouble involves GEC India, 67 per cent owned by GEC of the UK, selling a 24.9 per cent stake of Genelec to three subsidiaries of Godfrey Phillips, a Philip Morris cigarette company, run by Mr K.K. Modi. The Rs66m realised would have been used by GEC India for its own new investments.

But the deal was turned down last month by the Indian Government because Mr Modi had not registered the three subsidiaries under India's Monopolies and Restrictive Trade Practices Act. The deal also ran into trouble on the Calcutta stock market and an abortive court action was attempted against the share transfer. There has also been a row within the Modi family about control of various industrial assets.

Rise in earnings at Larsen & Toubro

LARSEN & TOUBRO, an Indian engineering company, lifted pre-tax profits by nearly a third to Rs699.7m (\$82.9m) in the year to last September, compared with Rs514m, on sales which rose by a fifth to Rs4,569m, writes E.C. Murthy in Bombay.

Takeover speculation currently surrounds L&T, though no bidder has yet come forward. Started by two Danish engineers, after whom the company is named, some 40 per cent of its shares are held by government-owned financial institutions.

Recently, large parcels of L&T shares were traded on Indian stock exchanges, triggering speculation that a hostile bid was imminent. The shares doubled to more than Rs100.

Hong Kong listing for Thai agriproducts group

BY DAVID DODWELL IN HONG KONG

C.P. POKPHAND, a Thai-controlled agriproducts group, is to be listed on the Hong Kong Stock Exchange in April, raising HK\$100m (US\$12.8m) through the issue of new shares and consolidating a base for ventures in mainland China. The group will be the first from Thailand to be listed in Hong Kong.

group is expected to have a local stock market value of about HK\$400m and will encompass trading operations, property interests, and two of the group's 11 ventures in China. The company plans to issue shares equivalent to 25 per cent of the group's total share capital.

Japan interest rate reform may be delayed

By Ian Rodger in Tokyo

FURTHER DEPOSIT interest rate liberalisation in Japan is likely to be postponed until next year because of resistance to reform from the huge postal savings system.

Sama renews efforts to revive Saudi Cairo Bank

BY FINN BARRE IN RIYADH

THE SAUDI Arabian Monetary Agency (Sama) has renewed its efforts to revive the problem-plagued Saudi Cairo Bank, with a capital injection of close to SR300m (\$80m) expected.

banks. The General Organization for Social Insurance (Gosi) owns 8 per cent of Saudi Investment Bank (Sabi). Sama itself also holds a 38 per cent share in Riyadh Bank.

Higher sales and profits from Masonite Africa

BY JIM JONES IN JOHANNESBURG

MASONITE AFRICA, the South African subsidiary of the US Masonite Corporation, owned by USG, the building products group - lifted turnover and profits in 1987 and also benefited from the sale of 55 per cent of its British subsidiary to the American parent.

though the two figures are not strictly comparable as Hardboard Services, the British subsidiary, was deconsolidated in 1987. The pre-tax profit was £10.0m against £8.3m and the sale of part of the interest in Hardboard Services gave rise to an extraordinary after-tax revenue of £867,000. The remainder of the British company is likely to be sold this year.

The MoF has been negotiating with the Ministry of Posts and Telecommunications (MPT) for some time, but it has become apparent last week that the talks are getting nowhere. "We have difficulty getting any responses from them to our proposals," a MoF official said yesterday.

NOTICE OF PREPAYMENT

THE DAIWA BANK, LIMITED
(Incorporated in Japan)

US\$5,000,000
Callable Negotiable Floating Rate
Dollar Certificates of Deposit

No. FRC 500066 to FRC 500070, issued on 18th March, 1985
Maturity Date 21st March, 1989. Oppositively Callable in March, 1988

Notice is hereby given that in accordance with Clause 3 of the Certificates of Deposit (the "Certificates"), The Daiwa Bank, Limited (the "Bank") will prepay all outstanding Certificates on 18th March, 1988 (the "Prepayment Date"), at their principal amount.

Payment of the principal amount, together with accrued interest to the Prepayment Date, will be made on the Prepayment Date against presentation and surrender of the Certificates at the London Branch of the Bank.

Interest will cease to accrue on the Certificates on the Prepayment Date.

The Daiwa Bank, Limited
London Branch
Commercial Union Building,
St. Helen's, 1 Undershaft, London EC3A 5JJ
4th February, 1988

Net earnings rose to 101 cents a share from 90 cents and the dividend has been lifted to 65 cents from 40 cents. In addition, an extraordinary dividend of 28 cents was paid from the proceeds of the British sale.

TO THE NOTEHOLDERS OF

A/S Eksportfinans
(Forretningsbankenes Finansierings-OG Eksportkreditinstitutt)

Notice of Resignation of Trustee and Appointment of Successor Trustee, Notice of Appointment of Note Registrar, Payment Agent, Designated Office.

Bankers Trust Company ("Bankers Trust") hereby gives notice pursuant to Section 610(f) of the Indenture dated as of June 15, 1982, between A/S Eksportfinans ("Company") and Bankers Trust, as Trustee ("Indenture"), under which the Company's 18% Sinking Fund Debentures due 1992 are outstanding of its resignation as Trustee under the Indenture, effective as of the close of business on December 29, 1987. In addition, Bankers Trust hereby gives notice pursuant to Section 901 of the Indenture that such Indenture has been amended by a First Supplemental Indenture dated as of December 1, 1987 between the Company and Bankers Trust providing for the appointment of an Authenticating Agent.

United States Trust Company of New York ("U.S. Trust"), whose Corporate Trust Office is located at 46 Wall Street, New York, New York 10005, hereby gives notice that the Company has appointed U.S. Trust as Successor Trustee (in place of Bankers Trust) under the Indenture and that U.S. Trust has duly accepted such appointment, effective as of the close of business on December 29, 1987.

U.S. Trust hereby gives notice that Bankers Trust will continue to act as Debenture Registrar and Paying Agent of the Company in New York and the designated office to which all communications shall be sent is as follows:

BY HAND
Bankers Trust Company
Corporate Trust & Agency
Group
Four Albany Street
New York, New York 10015

BY MAIL
Bankers Trust Company
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New York, New York 10015

Dated: February 4, 1988

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- BET shares are already listed on the London, Montreal, New York and Toronto exchanges. Our commitment to growth and to providing the best for our customers, shareholders and employees will be further extended as BET have applied for listings on the Amsterdam, Paris and Frankfurt Stock Exchanges.

BET

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Europe
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AMERICA

Dow drops after traders' breather

Wall Street

A SUDDEN sharp dip in equity prices within the last hour of trading brought some interest to an uneventful day, writes Janet Bush in New York. The Dow Jones Industrial Average had traded very close to Tuesday's closing levels until late afternoon, when it suddenly dropped more than 40 points before recovering just before trading ended for the day. The index closed 28.34 points lower overall at 1,924.57. Volume was relatively high at more than 238m shares, but a significant proportion of this activity represented dividend-related trading in utility stocks. For most of the session, the market had been content to wait for the results of the Treasury's 10-year bond auction. It also took time off to digest the implications of the Securities and Exchange Commission report on the October market crash. Analysts had been claiming there were signs of renewed confidence beneath the untroubled surface of what has been a generally flat market. Hopes seemed to be mounting that a few more days of generally directionless trading would help heal the wounds left by the past few months. The market's sudden plunge apparently in the absence of news to cause it rather dashed those hopes. The New York Stock Exchange council is expected to vote today on relaxing its restrictions on automated programme trading.

The bond market retreated slightly from the start, in what some analysts saw as an inevitable technical correction after the big gains of the past few days. Another factor pulling bonds downwards was the announcement of a 2.5 per cent rise in factory orders in December. Although the figure was actually somewhat lower than the consensus forecast range of 3 to 4 per cent, it acted as a reminder that a recession in the US economy is by no means a foregone conclusion and that an easing by the Federal Reserve Board may not yet be in sight. Bond prices were not helped, either, by the Federal Reserve's announcement of two-day matched sales, which drain reserves out of the money market, although this move was generally viewed as a technical development with no policy significance. Results of the 10-year bond auction were due to be announced by the Treasury after the market closed yesterday, but traders' attention was already shifting yesterday to the 30-year auction which takes place today. The Treasury's benchmark 8.875 per cent long bond closed around 9 1/8 lower to yield 8.37 per cent. One of the major corporate news stories was the announcement that Tricentrol would recommend that its shareholders accept Atlantic Richfield's offer of 200 pence a share for the company. Atlantic Richfield's stock rose 1 1/4 to \$75. First Boston's share price continued to drop after news that two of its star executives had left the company to form their own business, a decision apparently triggered by policy disagreements. It dropped 1 1/2 to \$27. General Development added 1 1/4 to \$14.4 after a report that a corporate raider viewed the stock as one of the five most attractive takeover targets. Gold shares were weak yesterday as precious metals prices continued to drop. Homestake Mining lost \$ 1/4 to \$13 and Newmont Mining was 1 1/4 lower at \$30. On a day when nuclear power became an issue because of reports, apparently false, circulating about another nuclear power station in the Soviet Union, Long Island Lighting dropped \$ 1/4 to \$8. A nuclear regulatory panel ruled that the company's emergency evacuation plan for its Shoreham nuclear plant was seriously flawed. Among companies reporting results, Sears Roebuck, the retailer, fell \$ 1/4 to \$34.4 after its report of a small rise in fourth quarter net income to \$1.49 a share from \$1.45 a year earlier. Travelers Corp, the insurance company, slipped \$1 to \$37.4 after it announced lower earnings per share of 83 cents per share in the fourth quarter. Eastern Kodak slumped \$ 1/4 to \$40.4 despite its announcement of net earnings of 75 cents a share in the fourth quarter compared with 22 cents a year earlier.

FOREIGN investors unloaded gold shares in hectic trading in Johannesburg yesterday as the bullion price plunged below \$450. A retreat in the financial market failed to stem the decline and the gold index declined 52 to 1,267. The market's heavyweight stock Randfontein dropped \$1.60 to \$213 and among other major gold stocks, Vaal Reefs fell \$1 to \$205, Driefontein gave up \$1 to \$20 and Freegold slid \$50 to \$250. Kloof shed 50 cents to \$30, Hartbeestfontein dropped \$1

to \$20, Deelkraal lost 50 cents to \$9.50 and Beatrix lost \$1.25 to \$12.25. In mining financials, Anglo dropped \$1 to \$45 and Gencor shed 50 cents to \$43. Diamond share De Beers continued to come under selling pressure and lost 75 cents to \$29.75, while platinum ended mixed to easier. Industrials closed little changed in lacklustre and thin trading. Barlow Rand was unchanged at \$19.85, South African Breweries gained 10 cents to \$16.60 and Sasol was steady at \$7.20.

SOUTH AFRICA

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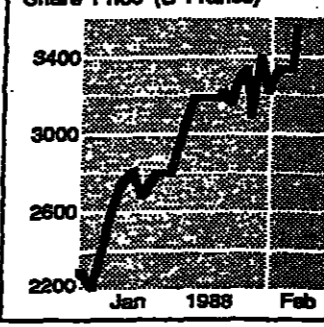
Canada

DECLINES BY major share groups, led by golds, dragged the market lower. The composite index fell 57.30 to 2,988.7 as declines outran advances by 606 to 248 on active turnover of 41.5m shares. Varsity, which topped the list of most active industrials, fell 20 cents to \$23.2, with 17,596m shares traded.

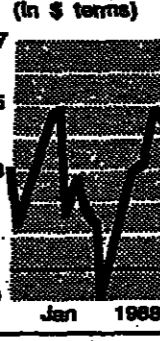
Rush for La Générale sets volume record

BRUSSELS has never seen anything like it, writes Tim DiGiacca.

Societe Generale de Belgique



Belgium FT-A World Index



The major question mark was whether the hectic buying in La Générale's shares - which pushed the price up to BFr 250 to BFr 3,890 - was inspired by friends of Mr Carlo De Benedetti, the Italian businessman seeking

effective control, by allies of the beleaguered board, or a mystery third party. The frenzy surrounding Belgium's most celebrated holding company has had a notable effect on several other shares. These are almost all

companies which form part of the Societe Generale de Belgique empire, but which investors clearly feel could benefit from the "modernisation" strategy announced by Mr De Benedetti in the context of his grand plan for a European financial and industrial empire. Among these shares which have outperformed the 10 per cent jump in the bourse so far this year are Fabrice, a paper company the price of which has leapt 31 per cent, the holding company Sofina (up 30 per cent), Géchem, the depressed chemicals group (34 per cent), Fabricite (34 per cent), the troubled armaments manufacturer (62 per cent), and Sibels, the holding company for La Générale's diamond interests (25 per cent). Brokers say these have all benefited from speculation a new owner could dispose of all or part of the business.

EUROPE

Nagging doubts about dollar restrain activity

London

UNCERTAINTY about the dollar's long-term prospects continued to weigh on markets in Europe yesterday and there was generally little reaction to the slightly higher US currency. West German shares responded most enthusiastically, but elsewhere price movements were restrained in listless trade. FRANKFURT rallied in lively trading as a 1 pf rise in the dollar and a favourable outlook from steelmaker Thyssen brought investors back to the floor. The Commerzbank index rose 17.5, or 1.4 per cent, to 1,249.6 and the FAZ climbed 6.26 to 409.97. Buying picked up after Thyssen forecast an improvement in fiscal 1988 group net profit. Thyssen rose DM3.70 to DM114.70, and Hoechst added DM4.80 to DM96.90. In cars, Daimler-Benz soared DM17.50 to DM565. BMW advanced DM16 to DM501 and VW rose DM4.20 to DM209. Bond prices rose in moderate trading on expectations that world-wide interest rates would ease. The Bundesbank sold DM101.3m of paper after buying DM66.5m on Tuesday. ZURICH ended steady after a sluggish day. The Credit Suisse index was unchanged at 415.8. Price movements were gener-

ally narrow. In the machinery sector, Brown Boveri gained FF15 to FF1,630 and Georg Fischer rose SF9 to SF97.4. Banks were mixed with Union Bank up SFr10 and Credit Suisse slipping SFr5 to SF2,260. AMSTERDAM closed little changed after a day of listless trading. Uncertainty over the near-term outlook for the dollar kept many investors sidelined and prices changes were narrow. The ANP-CBS index was unchanged at 220.5. Blue chips were mixed. Royal Dutch edged up 40 cents to Fl 213, KLM eased 30 cents to Fl 28.90 and Akzo closed unchanged at Fl 89.80. Banks, publishers and indus-

tries turned in a mixed performance. FARIS advanced for a third consecutive session as technical factors and takeover speculation revitalised buying interest. Electronics issues caught up with the rest of the market. Signatur gained FF23 to FF288. TRV was up FF70 to FF370 and Télécom, thought to be a takeover candidate, climbed FF251 to FF3,740. Martell soared FF280 to FF3,450 in response to Seagram's move to raise its takeover bid for the company. MADRID slipped as modest losses in all sectors tipped the general index 1.43 lower to 246.31 in unimpaired trade. STOCKHOLM recovered after two days of declines as a rally in the domestic money market lifted investors' spirits. Expectations that a strike by white-collar workers would end soon also buoyed the market. The Affärsvaarden general index rose 10.1, or 1.4 per cent, to 749.2 in moderate turnover and blue chip engineering concerns were broadly higher. OSLO was pulled lower by a further fall in Norsk Data and the all-share index shed 1.70 to 263.87 in quiet trading. Norsk Data A plunged NKr5.50 to NKr49 and the B shares sank NKr4 to NKr48.

Hard-hit Milan falls further

THE SHADOW of investor concern about the implications of the reorganisation plans for Ferruzzi and Montedison hung over the Milan bourse yesterday, depressing share prices across the board, writes John Wyles in Rome. The Milan stock exchange index fell heavily for the third consecutive day, closing 8.12 per cent lower at 901.8. The index was not available due to technical difficulties. Montedison, which was suspended briefly on Tuesday, over the Milan bourse yesterday, took the share to L1,662. After the close, it dropped below its L1,000 nominal price in after-hours trading. Fondiaria, controlled by industrialista Meta, the Montedison subsidiary to be absorbed in Ferruzzi Finanziaria, was down by 6.6 per cent. Indisava Meta lost 7.17 per cent to L9,130 and Ferruzzi Agricola shed L75 to L949, a decline of 7.38 per cent. Mediobanca lost L6,500 to L169,200 and the three state-controlled banks were heavily sold: Banca Commerciale fell 3.55 per cent, Credito Italiano plunged 7.76 per cent and Banco di Roma was down 2.96 per cent. All sectors were carried sharply lower by the sell-off in blue chip industrials. Pirelli Spa dropped L77, or 3.65 per cent, to L2,039 and Olivetti lost L218 to L7,350, down 2.52 per cent.

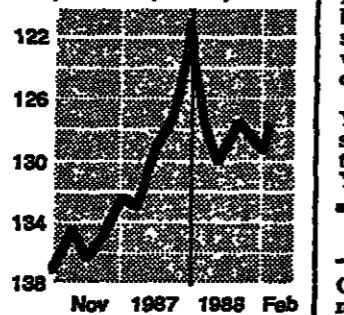
ASIA

Exporters undermine dull Tokyo

Tokyo

THE HIGHER YEN hit exported high-techs, electricals and large-capitals, tugging share prices lower in a thin and mixed Tokyo market yesterday, writes Shigeo Nishikawa of Jiji Press. The Nikkei stock average shed 76.84 points to 23,585 after drifting in a narrow range throughout the day. Turnover eased to 476m shares from 496m the previous day. Declines just outnumbered advances by 451 to 446, with 142 issues unchanged. Major stocks continued to be disregarded as the dollar fell against the yen following a reduction in prime lending rates by major US commercial banks. The best performers in the lacklustre market were export-capitals, car part manufacturers and speculative second-liners. Major securities companies and institutional investors retreated to the sidelines after taking profits on export-oriented blue chips, leaving most of the activity to individuals and speculators. High-techs dropped due to light selling in a thin market. NEC fell Y60 to Y1,950, Matsushita Electric Industrial declined Y30 to Y2,190 and Sony lost Y70 to Y4,660. Large-capitals were broadly weaker with Nippon Steel strengthening Y3 to Y383 on a small turnover of 3.12m shares, Kawasaki Steel down Y9 to Y381 and Mitsubishi Heavy Industries giving up Y5 to Y565. Power and gas utilities also lost ground, with Tokyo Electric Power slipping Y20 to Y5,190. Sanryo-Kokusaku Pulp, which posted a sizeable advance the previous day, topped the active stock list with 12.02m shares traded. It closed Y1 lower at Y752 on late profit-taking. Japan Synthetic Rubber, which also climbed on Tuesday, lost Y49 to Y981. Among the winners, Iwatsu

Yen against the Dollar



to 4,470 per cent from 4,545 per cent. On the Osaka Securities Exchange, the stock average rose 11 to 23,112.58, lifted by buying interest in stocks of selected companies based in western Japan, but volume dipped to 84m shares. Nintendo climbed Y460 to Y8,180 while Osaka Titanium soared Y200 to Y1,550 but controlling group Zenitaka lost Y70 to Y1,180.

TNT was steady at A\$4.05 as 2.3m shares changed hands in its takeover target, Cumberland, up 1 cent at \$2 cents.

Hong Kong

BARGAIN hunting for blue chips, property and utility stocks lifted share prices in a thin market. The Hang Seng index rose 55.96 to 3564.46 as institutional investors, encouraged by the prime rate cut in the US, sought bargains following the recent sell-off by several foreign institutions. Among blue chips, Jardine Matheson advanced 20 cents to HK\$10.30, Swire Pacific climbed 50 cents to HK\$15.80 and Hutchison Whampoa put on 5 cents to HK\$7.10. In properties, Cheung Kong climbed 16 cents to HK\$6.60, Sun Hung Kai 25 cents to HK\$8.50 and New World also 25 cents to HK\$7.75. Hong Kong Telecom advanced 25 cents to HK\$7.40, its first closing gain since it began trading on Monday at HK\$7.50.

Singapore

HIGHLY SELECTIVE buying in blue chips and little activity elsewhere kept the market nudged share prices modestly higher. The Straits Times industrial index rose 7.30 to \$95.50. Singapore Airlines climbed 25 cents to \$810 on institutional buying. Singapore Press advanced 15 cents to \$87.35 and Cold Storage put on 10 cents to \$83.78. DES remained the most active stock as foreign investors continued to trim their holdings. The selling was well absorbed and the share inched up 1/2 cent to \$12.20. Among the losers, Tractors fell 16 cents to \$83.40, Central Properties declined 14 cents to \$83.96 and Singapore Land gave up 10 cents to \$85.25.

FT - ACTUARIES WORLD INDICES

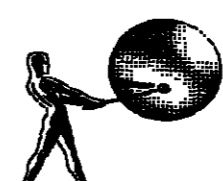
Jointly compiled by the Financial Times, Goldman, Sachs & Co., and Wood Mackenzie & Co. Ltd. in conjunction with the Institute of Actuaries and the Faculty of Actuaries

Table with columns for National and Regional Markets, Wednesday February 3 1988, Tuesday February 2 1988, and Dollar Index. Rows list various countries and regions with their respective stock indices and changes.

The Rank Organisation 1987 Results

Table showing 1987 results for The Rank Organisation: Profit before tax £208.3m (+27%), Earnings per share 58.2p (+28%), Ordinary dividend 21.75p (+21%).

Another year of progress



The 1987 Report & Accounts will be posted to shareholders on 18th February 1988. Copies may be obtained from the Secretary, The Rank Organisation Plc, 6 Courtyard Place, London W2 2EZ.

Base index: Dec 31, 1986 = 100; Feb 28, 1987 = 115.037 (US \$ Index), 90.791 (Pound Sterling) and 94.94 (Local). Copyright: The Financial Times, Goldman, Sachs & Co., Wood Mackenzie & Co. Ltd. 1987

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UK COMPANY NEWS

LLOYD'S OF LONDON WAIVES RULE ON BROKER OWNERSHIP

St Paul's given Minet go-ahead

By Nick Bunker

Lloyd's of London, the insurance market, finally abandoned its traditional stance of banning insurance companies from owning the market's brokers at a meeting of its ruling Council yesterday.

The decision has cleared the way for the planned takeover of Minet Holdings, the fourth biggest Lloyd's broker, by St Paul Companies, the Minnesota-based US property/casualty insurer.

St Paul launched a 475p per share bid on December 10 valuing the British company at \$400m - six years after it first began acquiring shares in Minet.

It now holds 26 per cent of

Minet's shares. Minet's other big shareholder, New York-based Corroon & Black, another broker, has already agreed to offer its 29.9 per cent stake to St Paul.

Mr Ray Pettit, chairman of Minet, said St Paul was now offering "just a few loose ends" before holding a Press conference in London today to make a statement about plans including the date on which the offer will go unconditional.

Minet's shares gained 7p to close at 474p in London last night. Discussions about operational issues were already under way between Minet and St Paul, Mr Pettit said.

Lloyd's said it had waived its present rule, which bars insurance companies from owning more than 26 per cent of a Lloyd's broker's equity, after receiving undertakings from St Paul's management.

The undertakings included a commitment by Minet not to interfere with Minet's management to the detriment of Lloyd's members or insurance policyholders.

Yesterday's decision by the Council of Lloyd's represents the last stage of a decade-long process in which Lloyd's has gradually done away with its restrictions on what type of outside interest can own a

Lloyd's broker.

The so-called 26 per cent rule will play no part in the new regulatory framework which Lloyd's is drawing up to govern its brokers, Lloyd's said.

The move to scrap it for good reflects the conclusions of a consultative document published by a working party last November. This said that there should be no restriction on the type of business which may have a shareholding in a Lloyd's broker.

The Department of Trade and Industry said yesterday that it is not referring the Minet/St Paul deal to the Monopolies and Mergers Commission.

Dixons increases stake in Wigfalls

By Nicki Tait

Dixons, the high street retailer which unveiled a recommended £16m cash bid for Sheffield-based Wigfalls on Tuesday, yesterday announced that it had raised its stake to 1.88m ordinary and 1.13m convertible preference shares, giving it a 32.00 per cent voting interest in its target.

The predator remained in the market yesterday, but is not thought to have made any major addition to its stake. According to SEAG, about 80,000 shares were traded and by the close the Wigfalls price had risen to 226p - 1p above the Dixons offer terms.

Meanwhile rival bidder, Bennett & Fountaine, was continuing to review its position yesterday. Its existing terms are paper-only, valuing Wigfalls at some £2m below the Dixons offer, but it sits on a stake plus irrevocable acceptances totalling 28 per cent of the votes.

Union Discount pleases market with profit rise

By Philip Coggan

Union Discount, the financial services group, surprised the market yesterday with a small increase in net profits from £10.78m to £11.00m for the year 1987. Following a downturn in profits in the first half, analysts had been expecting lower profits at the full year stage and the shares responded by rising 10p to close at 84p.

Although the final dividend is reduced to 26p (28p), that followed a sharp increase in the interim dividend to 17p (11p) designed to reduce disparity. The total dividend for the year is up 7.5 per cent at 43p (40p).

Mr Graeme Gilchrist, managing director, said the traditional discount house business had been particularly successful, thanks to the rise in the gilt market at the time of the October crash. Discount market operations account for about 80 per cent of earnings.

However, there was a small loss on the international side, due to difficult conditions in the US bond market.

The non-discount businesses performed well with the leasing division expanding fast and Aitken Campbell, the Glasgow-based market maker in which Union Discount has a 67.1 per cent stake, increasing profits on both equities and gilts. The futures company also produced



Graeme Gilchrist - well-spread range of businesses

higher profits.

During the year, the company set up Union Discount Asset Management, and Mr Gilchrist said the response to the service was most encouraging. The division is expected to make a worthwhile contribution to profits in the years ahead.

Union also established a new company, Union Discount Invoice Financing, which will start trading in the current year.

Mr Gilchrist said there was now a well-spread range of businesses within the group and he was confident that the objective of an increasing but more stable rate of return on capital invested would be achieved. Stockholders funds now stand at £83.5m, following a revaluation of the group's properties.

The board is also proposing a one-for-two scrip issue. One fully-paid £1 share will be issued for every £2 of stock now held.

See Lex

Parkway's three purchases

By David Waller

Parkway, supplier of photo-composition, reprographic and other pre-press services, is to buy three companies for a total of £8.55m in cash and shares in its biggest clutch of acquisitions since joining the USM last June.

The purchases are to be financed mainly by a one-for-four rights issue at 210p to raise a net £6.5m in cash; in total, the company's equity will expand by 44 per cent.

Parkway is buying two US companies, ColorHouse in Los Angeles and K-L in New York, both of which provide photographic services. The third company is Rabbit Repro Hold-

ings, a typesetter currently 75 per cent owned by advertising agency Collett Dickinson Pearce.

ColorHouse, founded in 1972, is among the largest colour laboratories in the US, offering photofinishing and pre-printing services to customers in the advertising and film businesses.

Consideration for this company is £4m in a mixture of cash and shares. Its last financial year, its turnover was \$5.3m.

Manhattan-based K-L provides a print production and film processing service to professional photographers and

advertising agencies. The total consideration is £2.8m.

Rabbit is being purchased for an initial consideration of £1.75m, with a further payment up to a maximum of £300,000 payable based on future profits.

As a result of the acquisitions, a quarter of Parkway's turnover will derive from the US. In the year to September 30, the company generated pre-tax profits of £1.31m (£469,000) on sales of £8.56m (£3.52m).

Parkway's shares added 3p to 265p yesterday. The issue has been underwritten by stockbrokers Hoare Govett.

Bibby to buy 90% of US laser group

By Michael Smith

J. Bibby & Sons, agricultural and industrial conglomerate, which is controlled by Barlow Rand of South Africa, is to buy 90 per cent of Melles Griot, a US laser and electro-optics group, for \$38m (£21.4m).

Melles, a privately owned company, designs, makes and distributes its products mainly for the telecommunications, medical and industrial markets.

Manufacturers in the US, where it has six plants, as well as in Taiwan and France, and sells in the US, Canada, Japan, the UK, the Netherlands, West Germany, France and Sweden.

In 1986 Melles made pre-tax profits, after minority interests, of \$9.4m on sales of \$32m and had year-end net assets of \$10.5m.

Mr Richard Mansell-Jones, Bibby chairman, said the acquisition would take Bibby further into high technology markets. The company already makes components for laser and electro-optical applications through Technical Optics, a subsidiary in the Isle of Man.

Melles would help Technical Optics achieve further penetration in world markets.

Bibby has already signed an agreement to buy 90 per cent of Melles and the deal is expected to be completed in March. The company intends to hold talks with the minority shareholders with a view to buying them out.

Mr Mansell-Jones said that, after completion of the deal, which is for cash, Bibby group gearing would be about 20 per cent.

Bristol Ship Repairers cuts loss

Reduced pre-tax losses of £61,266 were announced by Bristol Channel Ship Repairers for the half year to October 9 1987, compared with a previous loss of £143,445.

Turnover for the Cardiff-based company fell from £1.56m to £745,258, and the directors said they saw little short-term improvement in the ship repair market. They expected the full year results to show a substantial improvement over last year's losses of £213,000, although a similar loss to the first half was expected for the 24 weeks to March 23 1988.

The directors had been informed by C H Bailey, ship repairer and engineer which has reduced its stake in the company to 25 per cent, that a number of parties continued to show interest in the purchase of all or part of its holding, but there was no certainty of the outcome of those approaches.

There was again no tax charge and losses worked through at 0.06p (0.179p) per 10p share.

Blue Arrow's building side goes to Initial

By Philip Coggan

Blue Arrow, the employment agency, is selling its building services division to Initial, the cleaning group for £8.5m in cash.

Mr Tony Berry, Blue Arrow's executive director at Brengrove (Holdings), an industrial and commercial cleaning group. When he moved in at Blue Arrow, he initially planned to build up a cleaning division as a counterbalance to the employment side and his earliest acquisitions were of cleaning companies.

But the employment division, thanks to the acquisition of

Manders seeks to identify mystery buyer

Brook Street Bureau, Hoggett Bowers and most recently Manpower soon came to dwarf the cleaning side.

In the year to October 31, 1987, the building services division made pre-tax profits of £549,000 on turnover of £15.2m, compared with total group profits of £29m. In a highly competitive market, margins were much lower than on the employment business and Blue Arrow considers that the cleaning division will be much better placed to progress further within the initial group.

Blue Arrow shares closed up 1p at 99p.

Manders, paint, printing ink and property company, has moved to discover the identity of a mystery buyer who has picked up 5 per cent of the company's shares.

The company was notified on Monday that Quartet nv had bought the shares but subsequent inquiries have revealed only that Quartet represents offshore interests.

Manders has now sent out notices under section 212 of the Companies Act 1985 aimed at finding out the beneficial owners. Quartet has 14 days to reply.

Aerospace Eng expands 56%

Aerospace Engineering, Birkenhead-based precision and fabrication engineer, yesterday announced a 56 per cent expansion in first half profits together with a proposed £4m rights issue.

The directors, now headed by Mr Quinton Hazell who was appointed non-executive chairman in December, called a one-for-four at 96p - would "enable the group to take advantage of various acquisitions."

Pre-tax profits of £1.01m (£647,000) were achieved on turnover up 37 per cent to £8.82m. Sales costs amounted to £6.87m (£4.86m), while administration and selling expenses took less at £829,000 (£922,000). Interest charges accounted for another £212,000 against 278,000 for the com-

parable period.

The directors added that underlying market trends had been strengthening, particularly in the aircraft and aero engine sectors, and the group was investing in plant and equipment to enhance profitability. A number of acquisition opportunities were being closely studied, they added.

The group, according to the directors, has three options for expansion. It can either add to its existing operations in the precision engineering and aerospace area, look for an extra leg to add to the business in a related area or try for small purchases to go into the 'seed corn' venture group recently set up.

Second half prospects were said to be good, particularly since the group's substantial

imports of American goods for distribution through the VFP fluid power subsidiary were balancing exports.

After tax of £379,000 (£260,000), adjusted net earnings per share rose to 3.73p (2.48p).

House of Fraser

An item headed 'Lourho returns fire in Fraser battle of words' (Financial Times, February 1) quoted Lourho's comments on a High Court order freezing the interests of House of Fraser in some of its shares.

We accept that the suggestion that that order was made because House of Fraser had lied in court is inaccurate. We regret the inaccuracy and any embarrassment caused.

Arncliffe profits surge to £0.87m

Arncliffe Holdings, Leeds-based property developer and building contractor, lifted pre-tax profits from £252,000 to £872,000 in the 12 months to October 31 1987, on turnover up from £8.51m to £7.33m.

A 10 per cent tax of £26,000 (£32,000), earnings per 10p share worked through at 16.9p (4.4p). A final dividend of 2p makes a total distribution of 3.17p. Last year there was a single payment of 1.6p.

DIVIDENDS ANNOUNCED

Company	Current payment	Date of payment	Corresponding div	Total for year	Total last year
Aerospace Eng	1.56	Apr 5	1.3*	-	2.6*
Arncliffe	2	-	1.6	3.17	1.6
Habit Precision	1.5	-	1.3	2.3	2
Jarvis (J)	0.5†	-	0.83‡	-	2‡
Microsystems	3	-	1.5	3	2.25
Primadona	1.25	-	1.25	-	3*
Union Discount	26	-	29	43	40

Dividends shown pence per share net except where otherwise stated. *Equivalent after allowing for scrip issue. †On capital increased by rights and/or acquisition issues. ‡USM stock. ††Unquoted stock. †††Third market. §Equivalent after allowing for scrip issue and subdivision. * For 15 months.

Another busy week at Samuel Montagu...

Monday 25 January	
Launched £30m Revolving Credit Facility with £30m tender panel for Yorkshire Building Society.	Syndication commenced for \$43m Term Loan for Alexander Proudfoot PLC
Mandated to arrange £50m Syndicated Revolving Loan facility for Cherttenham based homebuilders, Westbury plc	
Tuesday 26 January	
Signing of £13.5m syndicated loan facility for Carroll Industries Corporation plc	
Wednesday 27 January	
Appointed arranger, dealer, issuing and paying agent for BEI £250m Commercial Paper Programme.	
Thursday 28 January	
Midland Montagu Ventures announce their participation in the leveraged buyout of Fruehauf Europe - Europe's largest manufacturer of trailers.	
Friday 29 January	
Syndication commenced on £50m MOF for Fitch Lovell PLC.	Syndication completed on £40m Loan Facility for Humber-side based Hughes Food Group PLC.

FT FINANCIAL TIMES CONFERENCES

BUSINESS WITH SPAIN

PALACE HOTEL, MADRID
9 & 10 MAY, 1988

A major international conference is to be arranged in Madrid by the Financial Times in association with Cinco Dias.

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ARNCLIFFE HOLDINGS PLC

Summary of Results for year ended 31st October, 1987.

	1987	1986
Turnover	7,331	6,508
Profit before taxation	872	252
Profit after taxation	846	220
Extraordinary item	65	NIL
Dividends	781	220
Profit retained	159	80

EXTRACT FROM THE REVIEW OF THE CHAIRMAN, I. FISCH, LL.B.

- * Profit increased by 245%.
- * Gross margins increased from 19.8% to 27.5%.
- * Net assets per share increased by 27.5%.
- * Shareholders' funds increased by almost £1m.
- * Earnings per share increased by 284%.
- * Recommended total dividend for the year 3.17p per share, increased by 98%.
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Effective February 3

Years	By EIP†		At maturity		At maturity
	EIP†	At†	EIP†	At†	
Over 1 up to 2	9%	9%	9%	10%	10%
Over 2 up to 3	9%	9%	9%	10%	10%
Over 3 up to 4	9%	9%	9%	10%	10%
Over 4 up to 5	9%	9%	9%	10%	10%
Over 5 up to 6	9%	9%	9%	9%	10%
Over 6 up to 7	9%	9%	9%	9%	10%
Over 7 up to 8	9%	9%	9%	9%	10%
Over 8 up to 9	9%	9%	9%	9%	10%
Over 9 up to 10	9%	9%	9%	9%	10%
Over 10 up to 15	9%	9%	9%	10%	10%
Over 15 up to 25	9%	9%	9%	10%	10%
Over 25	9%	9%	9%	10%	10%

* Non-quota loans B are 1 per cent higher in each case than non-quota loans A. † Equal instalments of principal. †† Repayment by half-yearly annuity (fixed equal half-yearly payments to include principal and interest). ††† With half-yearly payments of interest only.

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EUROPEAN NEWS

Christian Democrat rebels threaten to sink Gorla

BY JOHN WYLES IN ROME

THE Italian government led by the Christian Democrat, Mr Giovanni Gorla, was hanging by a thread last night, uncertain whether it will win parliamentary approval for its budget today and with a future that may be measured in days even if it does so.

Despite appealing to the national interest yesterday and denying that he had promised his own party that he would resign after the budget vote, Mr Gorla's position was sorely threatened last night by dissenting Christian Democrats fighting for factional advantage against their party's leader, Mr Ciriaco De Mita.

The Montecitorio building which houses the lower house of the Italian parliament was electrified by speculation yesterday that these same dissidents in Italy's dominant party would force Mr Gorla's resignation by using the secret voting facility to reject the budget today. This would create a grave political crisis, even by Italian standards which, in the socially somewhat over-eager view of Mr Bettino Craxi, the Socialist leader, would merit fresh elections.



Giovanni Gorla: hanging by a thread

Comecon members urged to open their economic borders

By Leslie Collis, recently in Prague

EAST EUROPEAN nations and the Soviet Union should emulate the European Community in their efforts to achieve economic integration, according to a senior Czechoslovak official.

Mr Jaromir Matzka, a deputy minister in charge of Czechoslovakia's economic reform programme said that the EC had achieved more solid integration than Comecon. He advocated "opening the economic borders" between Comecon members to unimpeded trade.

profit taxes could make it interesting for Czechoslovak firms to invest there, he said. But this would also mean that exchange rates and the price systems in the two countries would have to be unified.

Deportees' voyage is cancelled

A CONTROVERSIAL expedition by a Greek ship to take Palestinian deportees back to Israel has been cancelled, a Greek shipping company said yesterday. Reuter reports from Athens.

Oslo growth prospects poor

THE Organisation for Economic Co-operation and Development (OECD) gave a gloomy account yesterday of the prospects for Norwegian economic growth.

In an annual report on Norway, it said the current account deficit is expected to rise in 1988 to Nkr31,825bn and in 1989 to Nkr34,261bn from Nkr26,814bn in 1987.

largely as a result of spending overruns by local authorities. The report is also sceptical about the prospects for an adequate degree of credit restraint. It was important for Norway to keep nominal interest rates high to avoid disruptions in capital inflows required to cover the sizeable current account deficit.

Dutch farm chief hits at Britain

By Laura Raun in Amsterdam

ONE OF Britain's closest allies on farm policy, Mr Gerrit Braks, the Dutch Agriculture Minister, yesterday castigated Britain's monetary policy as harmful to agricultural reform and European unity.

Turkey hoists interest rates to halt lira slide

By Jim Rodgers in Ankara

MR TURGUT Ozal, Turkey's Prime Minister, yesterday announced an increase in interest rates to halt a free market slide of the lira, while the government confirmed it would seek to cool the pace of growth in 1988.

Mr Ozal also announced that exporters must convert their foreign exchange into lira sooner than previously, to release pressure on scarce hard currency resources. Exporters have been given a grace period of 10 days to comply.

Tatars fail in bid for homeland

By Charles Hodgson in Moscow

THE HIGH-LEVEL Soviet government commission set up to review the rights of Crimean Tatars has called for an unspecified easing of their residence rights but has fallen far short of meeting activists' demands for the restoration of an autonomous homeland.

EC to launch 'dating' service for companies

By David Buchan in Brussels

THE European Commission is to become marriage broker to help small and medium-sized companies in poorer regions of the Community forge links with other EC enterprises.

Call on chemical arms talks

THE foreign ministers of West Germany and Italy yesterday called for work on a treaty banning chemical weapons to be completed by the end of the year, AP reports from Geneva.

Mr Genscher called for energetic efforts to advance negotiations, saying that recent developments, including last year's Soviet acceptance of international on-site inspections as a short notice, provided a positive impetus.

nations to contribute to the solution of outstanding technical problems, such as anti-chemical provisions. The appeals for urgency contrasted with a statement by the US chief delegate, Mr Max Friedlander, who warned on Tuesday against "not only unrealistic but unproductive" speculation that the convention could be completed before some specified artificial deadline.

Yugoslavia offers no help on Waldheim war papers

By Judy Dempsey in Vienna

THE Yugoslav Government has failed to respond to a request to help find a document which allegedly implicates the Austrian president, Mr Kurt Waldheim, in war crimes.

Honecker told of West's concern over civil rights

By Leslie Collitt in Berlin

MR ERICH Honecker, the East German leader, told a senior West German politician yesterday that he hoped the recent arrests of dissidents in East Berlin would not harm relations between the two Germanies.

US to raise human rights in Romania

MR JOHN WHITEHEAD, the US deputy secretary of state, arrives in Romania today for talks that will feature human rights and emigration, writes Judy Dempsey.

Optimism on West German unemployment

By David Marsh in Bonn

THE West German Government yesterday took heart from figures showing that unemployment rose by 210,000 to 2.52m in January, a smaller than normal seasonal rise partly due to unusually mild weather.

Andriana Ierodiaconou describes the financial exigencies facing the Socialists ahead of the elections

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The Greek economy: after stabilisation, a squeeze

By Judy Dempsey

THE ONLY REASON I am optimistic about the Greek economy is that it has reached a point where the margins for manoeuvre are very narrow. There is no scope for luxuries, one Athens-based foreign banker said recently.

Mr Lambodorff said he expressed his concern to Mr Honecker over the arrests of nearly 200 civil rights supporters. The East German leader, he reported, said that protests could only take place within the bounds of East Germany's laws.

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Relations between Washington and Bucharest have been strained in recent years because of Romania's poor human rights record. Romania's most favoured nation status, which comes up for renewal soon, could be threatened unless there is an improvement in human rights.

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PROGRESS ON EXPANSION AND INTERNAL GROWTH AIMS

Microsystems jumps 62% to £4m

Microsystems Group lifted taxable profits by 62 per cent to £4.1m in the year to October 31 1987, compared with £2.54m previously. Turnover increased 74 per cent from \$11.45m to \$19.9m. Mr Christopher Wilson, chairman, said that at a time of considerable change within the USM-quoted electronics group, substantial progress had been made towards achieving the objectives of expansion by internal growth and acquisition...

Analytical Instruments Group, acquired in the year, operated profitably after reorganisation costs of £105,000. At Al Pampford, attention was being focused on industrial and security products and a number of products would soon be released. This division's performance was therefore expected to improve substantially enabling it to make a significant contribution to results.

Mr Wilson said further overall growth was anticipated at home and abroad in 1988, and recent acquisitions looked set to contribute to this. After a period of consolidation, growth would continue to be sought by acquisition. Yesterday's figures from Microsystems matched expectations and met with a muted reaction from the market...

Honorbilt finalises menswear purchase

Honorbilt, the clothing designer, importer and distributor headed by Mr Harold Tillman, yesterday announced that it had finalised the acquisition of the Hong Kong-based Rhythmic Company and Mirage International UK. Honorbilt, which came to the Third Market via a placing last July, is paying an initial £4.2m to be satisfied by the issue of 16.8m ordinary shares...

Poll found poor opinion of Dee stores, says B&D

SNIPING in the £2bn bid by Barker & Dobson for the substantially larger Dee Corporation continued yesterday, as the MORI poll which it had commissioned showed that customers of Dee's supermarket and superstore chain have a comparatively poor opinion of its stores. The survey was conducted in mid-January amongst householders living between 1/4 and 2 miles of 100 Dee stores...

Trevian on target despite fall

Development Group, which joined the USM last November, yesterday announced a slump in pre-tax profits from £298,000 to £93,000 in the six months to October 5. However, the company said that it was still well on target for its flotation pre-tax profits forecast of £950,000 for the full year...

Blue Circle has 35.9% of Birmid

Blue Circle, the cement group, yesterday bought more than 3 per cent of the shares in Birmid Qualest to take its holding in the home property and foundations group to 35.9 per cent. With nine days before its completion, Blue Circle now claims to either own or have acceptances from holders of 36.7 per cent of the company.

Staks in profit at midway

INCREASED MARGINS and a 52 per cent expansion in turnover enabled Staks Holdings to report a pre-tax profit in the six months to end-October. Staks, a retailer and wholesaler of china, glass and bakeware, came to the Third Market via an introduction in December last year.

USF&G net income lower at \$279m

In its first figures since gaining a full listing on the London Stock Exchange, USF&G Corporation reported net income for 1987 slightly lower at \$279.2m (\$155m) compared with \$296.3m. The dip was said to be due to the decline in the market value of the company's investments of \$107.4m, of which \$94.6m occurred in the first quarter.

Standard Chartered completes review

Standard Chartered Bank will be informing senior staff of the results of a far-reaching internal review of its UK operations tomorrow. The review follows the appointment last year of Mr Ian Paterson, formerly of the Midland Bank, as head of Standard's UK retail operations.

COMPANY NEWS IN BRIEF

HANSON: Hanson Industries, the US arm has sold the Southern Resin Adhesive Plant to a newly-formed north Carolina corporation, Southern Resin Inc for \$1.2m (\$1.03m) cash. Net assets of Southern Resin were \$482,000 at the end of 1987. TRIPLEXY: LLOYD has acquired Aldersley Equipment, a designer of silos and conveyors mainly for the brewing and feed milling markets. The purchase price is \$156,000 in cash.

UK ECONOMIC INDICATORS

Table with columns: 1988, 2nd qtr, 3rd qtr, 4th qtr, 1st qtr, 2nd qtr, 3rd qtr, 4th qtr, 1st qtr, 2nd qtr, 3rd qtr, 4th qtr, 1st qtr, 2nd qtr, 3rd qtr, 4th qtr. Rows: Econ. activity, External trade, Inflation, Output.

EXTERNAL TRADE

Table with columns: 1988, 2nd qtr, 3rd qtr, 4th qtr, 1st qtr, 2nd qtr, 3rd qtr, 4th qtr, 1st qtr, 2nd qtr, 3rd qtr, 4th qtr. Rows: Exports, Imports, Balance of trade, Current account, Services trade, Reserves.

INFLATION

Table with columns: 1988, 1st qtr, 2nd qtr, 3rd qtr, 4th qtr, 1st qtr, 2nd qtr, 3rd qtr, 4th qtr, 1st qtr, 2nd qtr, 3rd qtr, 4th qtr. Rows: Basic materials, Wholesale, Retail, All items, Services, Industrial, etc.

Savage in £4m purchase - Savage Group, DIY hardware group, is to buy Gelson Industries, supplier of bathroom accessories, for about £4m. The consideration, which will be satisfied by the issue of Savage shares, is dependent on Gelson achieving 1987 turnover before tax and before minority agreed items of expenditure of at least £500,000.

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Cranbrook in £9m purchase - Cranbrook Electronic Holdings, USM-quoted electronics distributor, announced yesterday that it proposed to buy fellow distributor Gothic Crellion for just under £9m.

Primadonna falls sharply - Primadonna, investment trust, reported a sharp fall in net asset value to 125.4p per 25p share at December 31 1987, against 199p six months earlier.

Skillion Holdings Ltd in conjunction with Skillion plc. £11,000,000 Term Loan Facility. Arranged by Citibank N.A. trading as Citibank Business Credit. The facility was arranged to assist Skillion Holdings Ltd in the acquisition of a portfolio of commercial investment properties...

WLG Williams Lea Group. Nine specialist companies, providing communications, printing and related consultancy services to the City and financial markets worldwide. Results for the year ending 27 September 1987: Profit before tax 3,335 (1986) 5,706 (1987) +71%; Sales 30,662 (1986) 40,023 (1987) +31%; Earnings per share 100.4p (1986) 177.8p (1987) +77%.

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INTERNATIONAL CAPITAL MARKETS

Swiss bond markets attacked by World Bank

By William Duffin in Zurich

SWISS SECONDARY markets were "absolutely useless" in determining the correct pricing for new securities transactions, Mr Robert Graffam, chief financial operations officer of the World Bank, charged yesterday.

The bank, the biggest borrower in the Swiss capital market, had just under SF200m (\$14.6bn) outstanding SF200m (\$14.6bn) outstanding maturing obligations and calling almost SF700m in bonds eligible for early redemption.

This, Mr Graffam was careful to explain, was motivated partly by reasons other than what he described as the inefficiency of the Swiss secondary market and the comparatively unfavourable terms offered by Swiss primary market underwriters.

Nonetheless, Mr Graffam said, the bank had been forced to sell Swiss franc portfolio and fund managers at a Euro money conference, the difficulties of the secondary market for Swiss franc bonds stood out, even in the "comprehensive" company of the West German and Dutch markets. Stories of the market's inefficiency were legion.

The World Bank had experienced a sharp increase of about 50 basis points between two bond issues with virtually identical conditions.

Borrowers often saw bid/ask spreads of 0.5 to 1 per cent for Swiss franc bonds and it appeared that the stock exchange price of a particular bond could at times be moved by a transaction of only SF50,000.

Dismissing the usual explanation that the Swiss bond market is dominated by retail investors who tend to hold bonds to maturity, Mr Graffam pinpointed the high transaction costs.

World Bank calculations suggested that when the turnover taxes on securities, bid/offer spreads and brokerage commissions were added up, it cost a bond holder roughly 2 per cent of par to sell one bond and buy another. In yield terms this meant that there had to be a differential above 25 basis points before it paid to carry out arbitrage.

This was not conducive to the continued growth and health of a capital market, Mr Graffam said. Inefficient secondary markets restricted liquidity, discouraged investor interest and generated dissatisfaction among both borrowers and investors.

Exempting transactions from turnover tax would be a helpful first step, Mr Graffam suggested. It would allow banks in Switzerland to act as market makers for specific transactions without carrying the tax burden associated with holding the inventory of bonds required for discharging such a function.

Mr Graffam also took Swiss bank underwriters to task for their high fees and commissions. Their commission structure exceeded that of any other important capital market by a considerable margin.

But, he recognised, a dramatic reversal of the situation had started to emerge after the issuing syndicate dominated by the big three Swiss banks changed its rules last year.

By permitting reallocation of commissions to investors buying more than SF200,000, the syndicate had generalised the practice of pricing issues to trade at a discount in the primary market.

Virtually all new issues, private and public, launched in January had traded at discounts which were often close to, or even higher than, total fees and yet had been viewed as successful.

The practice of reallocation of commissions was here to stay and would be extended to the retail investor either by eliminating the SF200,000 limit or by a general ignoring of the rule, Mr Graffam predicted.

He also approved of the fledgling grey market in primary market securities, which has so far been restricted to a few banks in Geneva. With the advent of reallocations of commissions, the grey market would play an essential role in balancing supply and demand. It should be extended to Zurich, Mr Graffam said.

The World Bank is not abandoning the Swiss capital market, he stressed. But it had agreed with its Swiss underwriters that it would be healthy for the bank's image on the market and for its long-term financing strategy to "reduce its borrowing presence to a considerable extent."

Toyota offshoot targets \$200m deal at Japanese

By CLARE PEARSON

NOMURA INTERNATIONAL yesterday launched its second Eurodollar bond of the week, a \$200m Eurobond for a Netherlands subsidiary of Toyota, even though other houses were standing aloof from the primary market while the US Treasury auctions were in train.

Dealers suggested the bulk of Toyota Motor Finance's three-year bond would be sold to Japanese investors, who were thought yesterday to have bought about 20 per cent of the three-year Treasury note auction on Tuesday.

Nomura said under 50 per cent of its own sales of the issue had been to Japanese investors and the bond had found wide placement in Europe and Middle East. However, it added that Japanese investors in Eurodollar bonds, negligible when the Europeans started buying last month, had now picked up.

Secondary market dealers said retail buying seemed to be concentrated on sovereign and state-backed issues, which are traditionally preferred by Japanese investors.

Initial price rises of about 4 percentage point in other bonds issued by the bank, spurred by activity. This was encouraged by the strength of US Treasury overnight, though they drifted during the afternoon ahead of the 10-year auction.

Toyota's \$200m Eurobond, priced at 101 1/4, to give an initial yield spread of 53 basis points over US Treasury bonds, was bid at less 1/20, against 1 1/4 per cent fees.

Elsewhere, the primary market for Australian dollar Eurobonds looked to be reaching saturation point as three new deals, each totalling A\$50m, surfaced yesterday.

Two of the bonds, for Toronto Dominion Australia and Compagnie Bancaire, appeared to have been motivated by an opening up of swap opportunities as Australian domestic bonds had weakened overnight.

An unswapped bond for Ford Credit Australia, lead-managed by Hambros Bank, looked the most attractive of the three. The 13 per cent five-year deal, priced at 101 1/4, was quoted at

less 2 1/4 bid, just outside 2 per cent commissions.

ANZ Merchant Bank's 13 per cent four-year bond for Toronto Dominion Australia, priced at 101 1/4, was quoted at less 1 1/4 bid, also 1/4 point below its total fees.

Bayerische Vereinsbank led a five-year issue for Compagnie Bancaire, which was also eyeing the Eurosterling market yesterday. The 13 1/4 per cent deal, priced at 101 1/4, traded at less 2 1/4 bid, 10 basis points below full fees.

Syndicate managers said investors were being asked yesterday how they would react to a \$75m 10 per cent five-year bond for Compagnie Bancaire, priced at 101 1/4, but the deal did not appear. Banque Paribas Capital Markets, whose parent has 45 per cent of the borrower, is tipped as the lead manager, but said no mandate had been awarded.

The first Euroconvertible for a Japanese borrower since the stock market crash emerged under the lead-management of Nomura International. This was a 15-year par-priced \$70m deal, with an indicated 2 1/2 per cent semi-annual coupon, for Nippon Bank. This issue, which was accompanied by an issue for the same borrower, Swiss francs, was bid at less 2 1/4, a discount equivalent to its total fees.

IBJ International led a \$100m 5 1/2 per cent 10-year bond for the Australian Telecommunications Commission, with the guarantee of Australia. Priced at 101 1/4, it was bid on its fees at less 2.

Daiwa Europe led a \$150m five-year floating-rate note for Jewel Three, a special purpose vehicle, backed by Japanese ex-warrant bonds. It pays six-month London interbank offered rates plus 25 basis points and is priced at 100.10.

D-Mark bonds eased from early highs, in sympathy with

the US Treasury market, but still closed about 1/4 point firmer. Most activity was concentrated in the domestic, rather than Eurobond market.

Deutsche Bank led a DM260m five-year 5 1/4 per cent bond, priced at 100 1/4, for Nokia, the Finnish diversified industrial company. It was bid within 2 per cent fees at less 1.65.

Yamaichi International (Deutschland) led a DM70m six-year convertible, with an indicated 1 1/4 per cent coupon, for Nickel Construction. The bond, which incorporates calls and puts, was bid at 101 1/4, which is 1 1/4 points above its issue price.

In Switzerland, two more equity-related deals appeared following a SF150m equity warrants deal for Dealk Kagaku Kogyo on Tuesday. This was a deal for equity-linked deals might dry up, but yesterday's two convertibles seemed to go down well. Both incorporated put options, which helped their performance.

Citicoop Investment Bank (Switzerland) led a SF100m five-year convertible for Dated Finance, a subsidiary of the store group. It had an indicated 1 1/4 per cent coupon and traded at 102 bid, 2 points above its issue price.

Credit Suisse led a SF60m five-year convertible for Nishiki Nippon Bank, with an indicated semi-annual coupon. This was bid 1 1/4 points above its issue price.

Swiss banks cut some medium and short-term interest rates yesterday. Ahead of this, prices of straight bonds were generally in active turnover. A SF150m 15-year 5 per cent issue for Austria rose 1/2 points during its second day's trading to close at 100 1/4.

Credit Suisse led a SF100m deal for Oesterreichische Donaukraftwerk, the Austrian power company. The 5 per cent bond has a final 20-year maturity but incorporates a purchase fund. Priced at par, it was bid in grey market trading at less 1 1/4.

Swiss Bank Corporation led a SF75m six-year 4 1/4 per cent bond for Hunter Douglas, the Dutch diversified manufacturing company, priced at 100 1/4.

INTERNATIONAL BONDS

terday how they would react to a \$75m 10 per cent five-year bond for Compagnie Bancaire, priced at 101 1/4, but the deal did not appear. Banque Paribas Capital Markets, whose parent has 45 per cent of the borrower, is tipped as the lead manager, but said no mandate had been awarded.

FT INTERNATIONAL BOND SERVICE

Listed are the latest international bonds for which there is an adequate secondary market.

US DOLLAR	YEN	OTHER CURRENCIES
STRAMENTS All Nations 7 1/2 92 100 100 100 100 100 American Bonds 7 1/2 92 100 100 100 100 Euro 7 1/2 92 100 100 100 100 Swiss 7 1/2 92 100 100 100 100 ... (many more rows) ...	YEN STRAMENTS All Nations 7 1/2 92 100 100 100 100 ... (many more rows) ...	OTHER STRAMENTS All Nations 7 1/2 92 100 100 100 100 ... (many more rows) ...

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CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar holds in narrow range

IT WAS a quiet day in Europe, with only a narrow range of movement in the dollar against the major currencies...

Tuesday's cut in US bank prime lending rates came as no surprise, but led to profit taking on long dollar positions...

The dollar rose to DM1.6880 from DM1.6816, to Sfr1.3795 from Sfr1.3720, and to FF5.9255 from FF5.8760...

STERLING - Trading range against the dollar in 1987/88 is 1.8785 to 1.8710...

STERLING INDEX

Table with columns: Date, Index, Change, % Change. Shows Sterling Index values from Feb 3 to Feb 4.

CURRENCY RATES

Table of currency rates for various countries including Sterling, US Dollar, Canadian Dollar, etc.

CURRENCY MOVEMENTS

Table showing percentage changes in currency values for various nations.

OTHER CURRENCIES

Table of exchange rates for currencies like Australian Dollar, Hong Kong Dollar, etc.

EXCHANGE CROSS RATES

Table showing cross-rates between major currencies like DM, FF, Sfr, etc.

MONEY MARKETS

Caution remains despite slight fall

UK RATES continued to suggest a relaxed attitude in London interbank money market...

The forecast was revised to a shortage of around £300m but the Bank did not operate in the morning...

The Bank also announced the one-week roll over rate, applicable to loans made through its temporary facilities...

FINANCIAL FUTURES

Prices lack clear direction

THE ONLY good thing about day's range, with good buying by professionals...

Long gilt prices finished unchanged from overnight levels at 120-13 for March delivery...

PHILADELPHIA SIX MONTHS LIBOR

Table of Philadelphia Six Months LIBOR rates for various maturities.

LONDON

Table of London market rates including 3-month and 6-month rates.

CHICAGO

Table of Chicago market rates including Treasury Bills and Bonds.

YORKSHIRE BANK

YORKSHIRE BANK Base Rate. With effect from close of business on Tuesday 2nd February 1988...

YORKSHIRE BANK Base Rate is increased from 8 1/2% to 9%

YORKSHIRE BANK Base Rate

YORKSHIRE BANK Base Rate

YORKSHIRE BANK Base Rate

YORKSHIRE BANK Base Rate

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YORKSHIRE BANK Base Rate

YORKSHIRE BANK Base Rate

YORKSHIRE BANK Base Rate

YORKSHIRE BANK Base Rate

FINANCIAL FUTURES

Prices lack clear direction

Seamen, could encourage foreign investors to reduce their UK gilt portfolios...

Three-month sterling deposits moved ahead in a modest way, influenced by a slightly lower cash market...

US TREASURY BOND FUTURES

Table of US Treasury Bond Futures prices for various maturities.

US TREASURY BILLS

Table of US Treasury Bills prices for various maturities.

US TREASURY BONDS

Table of US Treasury Bonds prices for various maturities.

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Table of US Treasury Bonds prices for various maturities.

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YORKSHIRE BANK Base Rate. With effect from close of business on Tuesday 2nd February 1988...

The London Motor Conference. -Manufacturing, Components and the Aftermarket. London - 15 February, 1988

MLH REALTY INVESTMENTS VI N.V. NOTICE TO SHAREHOLDERS OF MLH REALTY INVESTMENTS VI N.V.

State Bank of India. State Bank of India announces that its base rate is increased from 8.5% to 9% per annum.

BANK OF IRELAND BASE RATE. Bank of Ireland announces that with effect from close of business on 4th February 1988 its Base Rate is increased from 8.50% to 9.00% p.a.

Acquisitive Habit advances 19%

BY NIKKI TAIT

Habit Precision Engineering, the industrial holding company with interests in diamond tools and engineering subcontracting, yesterday combined the announcement of a 19 per cent increase in pre-tax profits to £1.26m in the year to end-September with the £2.2m acquisition of a Lancashire-based precision engineer, Cleveland-Guest.

The profits figure is scored on a 7.5 per cent sales rise to £14.5m, and comes after a £235,000 loss (nil) at the company's non-consolidated subsidiary, Crosby Disks. The interest charge has risen from £17,000 to £76,000.

Earnings per share rose from 7.4p to 8.32p, after a tax charge of £338,000 (£238,000). Habit is recommending a final dividend of 1.5p (1.3p), making 2.3p (2p) for the year.

The Cleveland-Guest acquisition, where £2m is payable on completion, will be funded by the issue of 400,000 shares to the vendors at 113p - which they must retain for at least a year - and a further 1.5m shares at 108p, which are being conditionally placed by brokers, Charlton Seal. Existing shareholders will be able to claw these back a 3-for-11 basis.

Habit said Cleveland offered valuable connections with the aerospace industry, and that its pre-tax profits in 1986 were around £270,000 on sales of some £3m, having reached £470,000 in the early-eighties.

At the same time, Habit will raise a further £1.1m of working capital via the issue of 1.36m shares, also at 103p and also available to existing shareholders. This will help reduce gearing from the 50 per cent

level to around 22 per cent.

comment

After early predictions of £1.4m pre-tax for 1986/7, some slimming of forecasts had already taken place. Even so, yesterday's figures seemed slightly disappointing for the faithful, and the shares eased 3p to 108p. The relative scale of the Crosby Disks loss appears to have been the stumbling block. Although the computer substrates business is now more than matching anticipated capacity, the tumbling dollar and US customer base means that profits are harder to come by. Bravely, Habit plans a substantial increase in production in pursuit of economies of scale, and said that some £2m-£3m of finance has been lined up. More cheerfully,

the recent Romehold and Elgin Diamond acquisitions appear to have contributed well to the diamond tooling side - adding some £350,000-£400,000 during 10 months of 1986/7 and helping the margin boost - and Habit said the current year has started well all round. Its tandem policy of running a core diamond business alongside precision engineering interests now appears to be weighted in favour of the latter. That may suggest further acquisitions on the diamond tooling side - possibly overseas, and market conditions permitting. The company's own brokers forecast pre-tax profits of £2.1m in the current year - after merger accounting some £500,000 for Cleveland-Guest and adding in interest on the additional cash raised. That puts the shares on a p/e of just under 11.

£18m gas turbine orders

JOHN BROWN ENGINEERING, a Trafalgar House company, has been awarded contracts worth £18m for gas turbine power stations in Panama and the German Democratic Republic. In Panama, the contract is for a 60-gas turbine-based power station in an area currently dependent on hydro-electricity. The second contract was won by John Brown to increase the power output of the Zechorowitz power station in the German Democratic Republic.

Extension for North Sea oil platform

A £12m contract has been awarded to ECG OFFSHORE of Methil, Fife (a Trafalgar House company), by Aker Verdal A/S of Norway. The work involves over 6,000 tonnes of fabrication for BP Norway's Gyda oil platform from which Aker is building a sub-structure.

£10m projects for Simons

SIMONS CONSTRUCTION GROUP has won orders worth £10m. The work includes a hotel, refurbishment to a motorway service station, shopping centre, office block, fast food fit outs and extensions to the Skoda (GB) headquarters in King's Lynn.

SIE ROBERT MCALPINE & SONS

has been awarded a £5m design and build contract by Roche Products covering the construction of a three-storey laboratory and office facility in Welwyn Garden City. The fully air conditioned building of concrete frame construction will provide a total floor area of 3600 sq metres. The work includes the installation of two passenger/goods lifts and specialist internal finishes to the laboratory area. The McAlpine Design Group will be responsible for all professional services.

Variety of work for Emson

EMSON CONSTRUCTION has won orders worth over £11m in two months. The contracts at Potters Bar, Charlton, Cambridge, Balmham, Hornchurch, Cricklewold and St Albans range from a headquarters and production centre for Harveys Furnishings to new industrial units on the sites of old factories which have been demolished to make way for modern facilities.

The largest is for Harveys at the former Phoenix timber site at Balmham. The 30,000 sq ft of offices and 100,000 sq ft manufacturing facility for curtains and coverings is being built for Estates and Agency. It will be leased to Harveys Furnishings, which earlier this year was

acquired by Harris Queensway, and will feature a "high technology" approach to both the offices and production/warehouse area. The £4m contract has to be completed by July.

In Cambridge, Emson has begun work on a Texas Homecare centre on the Sochive site in Colindale Lane. The £2m contract was won by negotiation and the store is due to open in time for the August bank holiday.

Link Lighter has placed a £1.5m contract for the construction of up to 20 industrial units for "high technology" users on a former factory site at Edgware Road/Humber Road, Cricklewold.

Emson is building three

industrial units for Oakfern Properties at the Summit Centre, Potters Bar - site of the old Maris Toys factory - under a £1.8m contract. Another reworking of an old factory site is at Charlton, London E7, where Emson is sub-dividing the old British Bopes' works into freehold industrial units in the 2500 - 5000 sq ft range, working on behalf of the agents Glennys.

At Hornchurch, the company has started work on a scheme to build five retail units. The work is for Sellar Morris Developments of London and is valued at £500,000. The seventh contract is at Alban Park 2, St Albans, to build three industrial units in a £1.2m scheme.

Better shopping for Maidstone

COSTAIN CONSTRUCTION has been awarded a contract, worth in the region of £6.5m, by Prudential Portfolio Management on behalf of The Prudential Assurance Co and Shell Pensioners Trust to refurbish the Stoneborough Shopping Centre in Maidstone, Kent. On completion, this retail facility in the heart of the town will be relaunched as the Chequers Centre.

Structural work will include

new entrances for the centre at King Street and Gabriel's Hill - continuity of access is assured for shoppers during piling and construction operations - and erection of new glazed roof structures over Duke's Walk and the North and South Malls. Prestressed concrete roof structures will be removed above protective temporary roofs, enabling the main structural alterations to proceed with minimum disruption to the business

of the centre.

The refurbishment element of the contract provides for a complete restyling of the centre, including false ceilings, balustrades and wall finishes, together with a complete upgrading of the mechanical and electrical services. New escalators will improve access to the roof top parking areas. The work is due for completion early in 1989.

Feltham corporate centre scheme

J M JONES CONSTRUCTION GROUP has started the Newlands area complete with all necessary works, parking and landscaping.

In Oxford the design build division has been awarded stage 1 for phase II of the high technology development on Oasis Business Park, Eynsham, worth around £1.8m, for Pin-core. The contract comprises 10 steel frame aluminium clad units, together with external works.

In Maidenhead J M Jones & Sons has been awarded the £650,000 fitting out contract at Foundation Park for Johnson & Johnson. The 18-week contract comprises the fitting out works

to existing premises.

The contract provides for a complete restyling of the centre, including false ceilings, balustrades and wall finishes, together with a complete upgrading of the mechanical and electrical services. New escalators will improve access to the roof top parking areas. The work is due for completion early in 1989.

to existing premises.

The contract provides for a complete restyling of the centre, including false ceilings, balustrades and wall finishes, together with a complete upgrading of the mechanical and electrical services. New escalators will improve access to the roof top parking areas. The work is due for completion early in 1989.

£8m workload for Tarmac

Contracts worth about £8m have been awarded to TARMAC CONSTRUCTION. They include designing and building a road and sewer at Warwick Technology Park for Tarmac Properties (£695,000), altering and refurbishing a bank at Sheffield, for the Royal Bank of Scotland (£645,000); sewer

works at Darlington, for Darlington Borough Council (£367,000); and civil engineering works at Hartlepool, for Teesside Development Corporation (£250,000).

include work on homes at Calne, Wiltshire (£703,000); Cardiff (£696,000); Dinnington (£677,000); Hartshorne, Derbyshire (£580,000); Spalding, Lincolnshire (£478,000); Derby (£400,000); Hatton, Derbyshire (£372,000); and Buntingford, Cambridgeshire (£326,000); and Burton-on-Trent (£310,000).

A number of contracts have also been awarded to the contract housing division. They

NEW INTEREST RATES

Notice to Account Holders

Gross Interest % p.a.	Midland Savings Accounts	Net Interest % p.a.	Gross Equivalent to a Basic Rate Taxpayer % p.a.			
With effect from 4 February 1988 the following rates will apply:-						
3.65	Deposit Account	2.75	3.77			
5.98	Griffin Savers/Number One	4.50	6.16			
7.97	High Interest Cheque Account	6.00	8.22			
8.24				£2,000+	6.20	8.49
7.64	Monthly Income Account £2,000+	5.75	7.88			
8.64	Premier Savings Account £5,000+	6.50	8.90			
4.65	Saver Plus	3.50	4.79			
6.64				£500+	5.00	6.85
7.44				£1,000+	5.60	7.67
5.98	Vector	4.50	6.16			
7.44				Vector Savings	5.60	7.67
7.50	Clients' Premium Deposit Account	5.64	N/A			
8.00				£25,000-£99,999	6.02	N/A
	LIVE!Cash	2.75	3.77			
3.65				£20+	4.25	5.82
5.65	£100+					
With effect from 3 March 1988						
3.65	Save and Borrow	2.75	3.77			

Midland Bank
Midland Bank plc, 27 Poultry, London EC2P 2BX

Trafalgar lifts stake in Costain

By Nikki Tait

Shares in Costain, construction, property and mining group, rose another 3p to 275p yesterday after Trafalgar House disclosed that it had raised its shareholding to 6.1 per cent.

Trafalgar's initial interest in Costain was flushed out in mid-September - when the property, construction and shipping group confirmed that it held just under 5 per cent of the shares. This was then taken over the level - to 5.4 per cent - in November. Although there had been no further disclosures until yesterday, rumours that TH had raised the holding to around the 5.7 per cent level had circulated earlier this month.

Trafalgar consistently refuses to elaborate on the reasons for its buying - beyond saying that the stake represents a "commercial venture" and "an investment." One suggestion is that the recent purchases represent an attempt to "average down" on the cost of the holding.

Trafalgar refuses to disclose its average purchase price, but its initial holding was bought during the summer at pre-crash prices. By July, Costain shares were trading at over 300p and at levels up to 387p.

J. Jarvis ahead 46% midway

J. Jarvis & Sons, London-based building and civil engineering contractors, increased table profit by 46 per cent to £30,000 in the half year to September 30 1987.

The outcome was scored on turnover up from £16.38m to £19m, and interest charged of £3,000 (£13,000). Last year exceptional items took £75,000.

Tax in the latest period accounted for £116,000 (nil). The interim dividend is set at 0.5p (0.93p adjusted) from July dividend earnings per 5p share of 2.59p (£2.94p).

An extraordinary charge of £129,000 related to the net costs incurred in connection with the abortive sale of the Charterhouse Street property and other advisory costs related to documents issued to shareholders.

Kingsgrange buy

Kingsgrange, toiletries company, has agreed to acquire Gilchrist and Soames for an initial payment of £2m plus up to £5m of deferred consideration.

G & S sells pot-pourri and related toiletry products to gift stores, hotels and high street retailers. In the year to March 31 it made profits before tax and exceptional items of £313,000 on turnover of £3.7m.

The initial consideration will be satisfied by the payment of £1.25m cash, £500,000 of 8 per cent convertible loan stock and 179,000 ordinary shares. Deferred payments will depend on future profits.

Howden purchase

Howden Group, Glasgow-based specialist engineer, has acquired Carr-Tech Services of Toronto for £1.65m (£733,000) cash payable on May 1. Carr-Tech made £3205,000 pre-tax in the year to December 31 1986.

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MANAGEMENT EDUCATION AND TRAINING
Publication date 22 March 1988
Copy Date 3 March 1988

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A number of areas will be covered including:

- * What is to be done about British Management?
- * How do Managers actually think?
- * How can "Intuitive" thinking be improved?
- * How are leaders developed and teams built?

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24th March 1988

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COLLATERALIZED MORTGAGE OBLIGATION TRUST TWENTY-THREE

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FT UNIT TRUST INFORMATION SERVICE

Handwritten note: 10/1/10

Table of financial data for various unit trusts, including columns for fund names, managers, and performance metrics.

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INSURANCES

Table of insurance-related financial data, including various insurance policies and their associated costs.

COMMODITIES AND AGRICULTURE

Kiechle warns of fall in German farm incomes

BY DAVID MARSH IN BONN

MR IGNAZ Kiechle, the Bonn Agriculture Minister, a leading critic of British efforts to axe EC farm spending, yesterday warned a large prospective fall in incomes this year for West German farmers as a result of modest harvests and price cuts.

"My Country - right or wrong." "She is tremendously obstinate," he added.

Mr Kiechle's remarks, as heard by journalists, seem to have been made more in sorrow than in anger. In an effort to give a socio-political explanation of Mrs Thatcher's attitude, he said her doggedness was partly a matter of history.

In West Germany, he said, small farmers can sometimes trace back their family holdings for three or four hundred years. "In England, that is not the case."

Additionally, he said, Britain had adopted the aim of setting up an efficient agriculture industry - he used the words in English in a mixture of wonder and distaste - in order to compete on the world market. This hard-headed approach left little room for tradition or emotion, he said.



Mr Ignaz Kiechle takes his seat at yesterday's Bonn Cabinet meeting, which focused on EC farm spending reforms

Part of the aim of the Community, he said, was that "we all have to carry part of the burdens of others."

He agreed that the farming solutions put forward by Britain would save more money than those of Bonn or the Commission, but that was not the point. "The question is what is capable of consensus,"

Gold falls below \$450 barrier

BY KENNETH GOODING, MINING CORRESPONDENT

THE GOLD bullion price dropped below the psychologically important level of \$450 a troy ounce early yesterday.

"Once it broke that level everyone started to sell," said Miss Rhona O'Connell, an analyst with the London Metals Research Unit of Shearson Lehman Brothers.

Gold ended at \$448.75 in London, its lowest closing level since early July last year, and \$12.50 down on the day's trading.

Analysts agreed that the catalyst for the drop in the gold price was news that Newmont Mining of the US might raise a 1m ounce (30 tonnes) gold lease twice the size of any previous gold-based loan.

That would involve the company borrowing gold, selling it immediately in gold bars, then paying back in gold from future production over an agreed period.

"That focussed the mind of the investment community - which usually does not look very closely at gold - on the fact that there is a supply and demand factor to be taken into account. And there is far too much gold knocking about," said Miss O'Connell.

The Newmont news coincided with a string of factors which suggested that a non-inflationary, or even recessionary, period was coming, particularly in the US, she pointed out.

Mr Jeffrey Nichols, president of the New York-based American Precious Metals Advisors, picked up this theme. "The US dollar's rebound, stronger bond prices and waning inflation in the US, and reduced volatility in world equity markets, have discouraged investors in gold."

"As a result, increased supplies from the miners via gold loans and forward sales, as well as frightened

selling by the Soviets and South Africans at crucial price levels have been absorbed by the market only at much lower prices."

Mr Nichols insisted there were many factors pointing to the gold price going up again during 1988.

Another "bull" of the precious metal, Mr Julian Barling, gold guru at London stockbroker James Capel, who at the end of last year was predicting the price would go to \$600 an ounce in 1988, suggested that investors were currently buying cheap equities instead of high-priced gold.

"Since there are no buyers and since the mining industry is having to sell gold because it can't raise money by leasing equity, a well-defined bull trend in the gold price has been broken."

He added that he had not given up hope that the main bull trend remained intact.

Mr Kiechle, presenting the Government's annual agriculture report, said farm incomes on average were likely to fall 7 per cent this year - underlining why he is himself under fire from irate farmers.

The Minister, who is one of the stalwarts of the ultra-conservative Bavarian Christian Social Union, had a small message of consolation. According to the report, farms showed a rise in incomes of an average 2.6 per cent in the 1986-87 agricultural year, ended last June, with individual farm employees making a gain of 3.8 per cent.

With inflation in the Federal Republic virtually nil, that added up to a modest rise in living standards last year.

But that is not likely to dampen the anger of the agricultural community about big cuts likely to be registered this year.

According to the Agriculture Ministry's calculations, income for cereal, rapeseed and sugar beet farmers is likely to drop by 19 per cent in the present farming year, while growers of wine, oranges and fruit face cuts of 15 per cent.

Farmers producing animal feed are expected to have a better year, with incomes likely to drop by only 1 per cent. But meat farmers will have to weather a 12 per cent reduction in receipts after already stomach-aching a 20 per cent drop last year.

Publication of the figures came a day after the meeting in London between Chancellor Helmut Kohl and Mrs Margaret Thatcher, the British Prime Minister, focused on efforts to resolve the EC's farm spending crisis.

Mr Friedhelm Ost, the Bonn Government's spokesman, continuing efforts here to play down forecasts of failure at the emergency community summit in Brussels next week, said yesterday he hoped the Thatcher-Kohl meeting had narrowed Anglo-German agricultural differences.

Less diplomatically, Mr Kiechle, who accuses Mrs Thatcher of lacking "emotion" in her approach to agriculture, said on Tuesday that he was glad he was not in Chancellor Helmut Kohl's shoes for his meeting in London with the British Prime Minister.

Mr Kiechle, who pointed out that an estimated 10 per cent of farmers votes had been lost to the governing Bonn conservative parties in recent elections, said he "could not understand" Mrs Thatcher's stubbornness over reforming the Community farm system.

The Minister said Mrs Thatcher seemed to be acting according to the principle of

the grain markets - led by soybeans," states Mr Arthur Shams, Elders' vice president.

Volume in the CBOT's soybean futures leaped 104 per cent in January to 287,183 lots, up from 434,849 lots the previous January. Wheat and corn (maize) futures also staged impressive increases in volume.

While Elders plans to pitch its new division's marketing efforts at US commercial firms which would use futures for hedging, it is also expected to attract overseas business. Mr Chuan Ai, vice president of the company's grain division plans a strong push in countries like China and Taiwan, which he sees buying more US grain in future.

Crop shortfalls in Southeast Asia and India have prompted increased buying on world markets. And the trend by governments worldwide, including the US, to become less involved in intervention in the agricultural industry will further boost the futures markets, according to Mr Ai. He points to a growing interest in futures from

Taiwan, where the Government is planning to lift agricultural import control in July.

"The agricultural grains have put in their major bottom," says Mr Rich Feltes at Refco, "and over the course of the next one to two years they are going to be trading higher, more volatile prices at increased levels."

A lot of speculative interest is focussed on grain's "better upside potential," Mr Feltes states, noting that an increase in speculative position limits on the CBOT's agricultural contracts led to an influx of fund money at the beginning of this year. In addition, many private investors are wary of securities since the crash and are putting their money into commodities.

The fledgling bull market is not just in grains; raw sugar and orange juice volumes have been booming in New York and the Chicago Mercantile Exchange has seen a sharp rise in its livestock futures trading.

The CME's agricultural complex - consisting primarily of livestock and pork belly futures - saw a volume jump to 45,563 contracts in January compared with 30,122 in January the previous year. Livestock is primarily a US domestic market and interest picked up last year after several years of herd declines. The tough winter will also keep these markets up, Mr Feltes says.

However, while agriculturalists stage a comeback, traders - used to dull markets - stress that it is too soon for unqualified optimism. In last week's booming soybeans market, Mr Murray says the CBOT's agricultural pits even lured bad traders from the exchange's frenetic Treasury bond futures pit. But after this week's correction, they all drifted off again.

Black Monday backwash buoys Chicago futures

THE GRIZZLED faces of some of the old-stagers at the Chicago Board of Trade have brightened up lately as they have witnessed much-needed flow of business back into their long-neglected agricultural contracts.

A back-to-basics move that followed October's stock market crash, the "agen" are experiencing booming volume and renewed interest in their traditional contracts. "The yellow badge" of Trade has brightened up lately as they have witnessed much-needed flow of business back into their long-neglected agricultural contracts.

Volume in Chicago's agricultural markets reversed a three-year trend, with a year-end rise in volume lifting the 1987 total on the CBOT's farm products complex to over 34m contracts from 1986's level of 20m.

At the same time, many of the innovative financial futures contracts - particularly stock index futures - saw trading volume drop off towards the end of the year.

The move into commodities was quickened by the crash, but declining US agricultural stocks and a falling dollar had prompted movement in agricultural futures before last October.

"We were seeing a pick-up in the second half of last year," explains Mr Tom Murray, a floor trader at Stotler, "in the long run, the ag markets have turned the corner and are starting to make a comeback."

But while Mr Murray says many of his colleagues, who set out a drab market for three years only to weather the crash, are feeling more optimistic, he does not predict a bull market overnight. "We're going to rebuild and progress from

here, but it will take work," he warns.

Elders Futures is optimistic enough, however, to set up its own grain futures division this month, after looking for a cyclical increase in the agricultural markets as long ago as 1984.

"The market is beginning to swing in the direction of here, but it will take work," he warns.

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US to widen farm export subsidies

By Nancy Dunne in Washington

THE US has announced plans to offer subsidised sales of farm products to five Central American countries in a move which will extend the controversial Export Enhancement Program to new markets.

The Department last week said it would sell 40,000 tonnes of US barley to Costa Rica, El Salvador, Guatemala, Honduras and Panama "at competitive world prices." As with other sales under the programme the barley market price will be subsidised with the proceeds of sales of US government-owned commodities.

The department said: "The subsidy will enable US exporters to compete at commercial prices in the Central American market."

In the past, it has made EEP offers to Latin American countries only reluctantly, when the EC seemed interested in competing for the market.

Last year, the only subsidised sales into the market were for 66,000 tonnes of wheat to Brazil and 44,000 tonnes to Colombia.

Nymex oil trading rises 86%

BY STEVEN BUTLER

INTERNATIONAL participation in trading of oil futures at the New York Mercantile Exchange (Nymex) rose sharply last year, according to a report by the Nymex staff.

Non-US traders at the exchange accounted for 29 per cent of all business in the second half of 1987 compared to just 15 per cent in the same period of 1986. This took place in a context of a rapid increase in overall trading of energy contracts in the exchange, which was up 86 per cent for the year as a whole.

Nymex said that the bulk of the non-US participation came from European traders,

although Canadian traders were active on the exchange and a number of new entrants came from Asia.

Ms Rosemary McFadden, Nymex president, said the year marked an acceptance of farmers trading by all sectors of the oil trade. All six of the major international oil companies or their affiliates ranked among the high volume traders on the exchange.

Oil and oil trading companies dominated the market. Of the 334 companies that held "large" positions 244 were oil and marketing companies. This compares with 120 oil and trading companies in the same period

of 1986 out of a total of 125 companies.

The Nymex survey found that 15 per cent of trades in the market were done by the integrated oil companies, while nine per cent came from refiners. Another 12 per cent came from companies that traded and marketed oil, while 30 per cent came from pure oil traders. Speculators, professional option traders and money managers, accounted for 27 per cent of trading.

Nymex said it was continuing to study steps that would increase the internationalisation of trading, including extended trading hours and electronic trading.

Jamaica seeks receiver for Alcoa plant

By Carole James in Kingston

THE JAMAICAN Government has asked the island's courts to appoint an independent receiver to manage the operations of a bauxite refinery owned by the Aluminum Company of America, after the company reclaimed the 800,000 tonne plant this week.

Alcoa closed the facility in February of 1985, after which it was leased and re-opened by Clarendon Alumina Productions, a state-owned company. The move to reclaim the facility is being opposed by the Government which says the company has not met conditions for its operation.

Mr Edward Seaga, Jamaica's Prime Minister and Finance Minister, said the Government was seeking the receiver because "Alcoa has now decided to take the law into their own hands by purporting to take physical control of the plant."

He accused Alcoa of misappropriating stocks belonging to Clarendon Alumina, and of carrying on a mining operation without a mining lease.

Alcoa had earlier said its permit to mine had not been returned by the Government.

WORLD COMMODITIES PRICES

LONDON MARKETS

Table of COCOA PRICES, RUBBER, and other commodities in London. Includes columns for Commodity, Price, and Change.

SPOT MARKETS

Table of SPOT MARKETS including DUBAI, CRUDE OIL, and other spot prices.

Table of LONDON DAILY SUGAR (NEW) and other commodity prices.

Table of GRAINS (WHEAT) and other commodity prices.

Notes regarding data sources and market information.

Table of COCOA PRICES (continued) with columns for Commodity, Price, and Change.

Table of COFFEE PRICES with columns for Commodity, Price, and Change.

Table of SUGAR PRICES with columns for Commodity, Price, and Change.

Table of GAE OIL PRICES with columns for Commodity, Price, and Change.

Table of GRAINS (WHEAT) (continued) with columns for Commodity, Price, and Change.

Notes regarding data sources and market information.

Table of LONDON METAL EXCHANGE (continued) with columns for Commodity, Price, and Change.

Table of POTATOES PRICES with columns for Commodity, Price, and Change.

Table of SOYABEAN MEAL PRICES with columns for Commodity, Price, and Change.

Table of FRESH FISH PRICES with columns for Commodity, Price, and Change.

Table of WOOL PRICES with columns for Commodity, Price, and Change.

Notes regarding data sources and market information.

Table of LONDON BULLION MARKET with columns for Commodity, Price, and Change.

Table of LONDON METAL EXCHANGE (continued) with columns for Commodity, Price, and Change.

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Table of LONDON METAL EXCHANGE (continued) with columns for Commodity, Price, and Change.

Notes regarding data sources and market information.

US MARKETS

Table of OVERSEAS SELLING and other US market data.

Table of NEW YORK COMMODITY PRICES with columns for Commodity, Price, and Change.

Table of SILVER PRICES with columns for Commodity, Price, and Change.

Table of COPPER PRICES with columns for Commodity, Price, and Change.

Notes regarding data sources and market information.

Table of CRUDE OIL PRICES with columns for Commodity, Price, and Change.

Table of HEATING OIL PRICES with columns for Commodity, Price, and Change.

Table of COCOA PRICES with columns for Commodity, Price, and Change.

Table of SUGAR PRICES with columns for Commodity, Price, and Change.

Table of COTTON PRICES with columns for Commodity, Price, and Change.

Notes regarding data sources and market information.

Table of SOYABEAN PRICES with columns for Commodity, Price, and Change.

Table of SOYABEAN MEAL PRICES with columns for Commodity, Price, and Change.

Table of SOYABEAN MEAL PRICES (continued) with columns for Commodity, Price, and Change.

Table of WHEAT PRICES with columns for Commodity, Price, and Change.

Table of LIVE CATTLE PRICES with columns for Commodity, Price, and Change.

Notes regarding data sources and market information.

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FT UNIT TRUST INFORMATION SERVICE

LONDON SHARE SERVICE

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Main table of FT Unit Trust Information Service, listing various unit trusts with columns for Name, Investment Objective, and other details.

Table of LONDON SHARE SERVICE, including sections for BRITISH FUNDS, FOREIGN BONDS & RAILS, AMERICANS, INT. BANK AND O'SEAS GOVT STERLING ISSUES, CORPORATION LOANS, COMMONWEALTH & AFRICAN LOANS, and LOANS.

Table of Money Market Trust Funds, listing various trust funds with columns for Name, Investment Objective, and other details.

EUROPEAN OPTIONS EXCHANGE

Table with columns for Series, Feb 88, May 88, Aug 88, and Stock. Lists various options series and their corresponding stock prices.

TOTAL VOLUME IN CONTRACTS: 36,121

BASE LENDING RATES

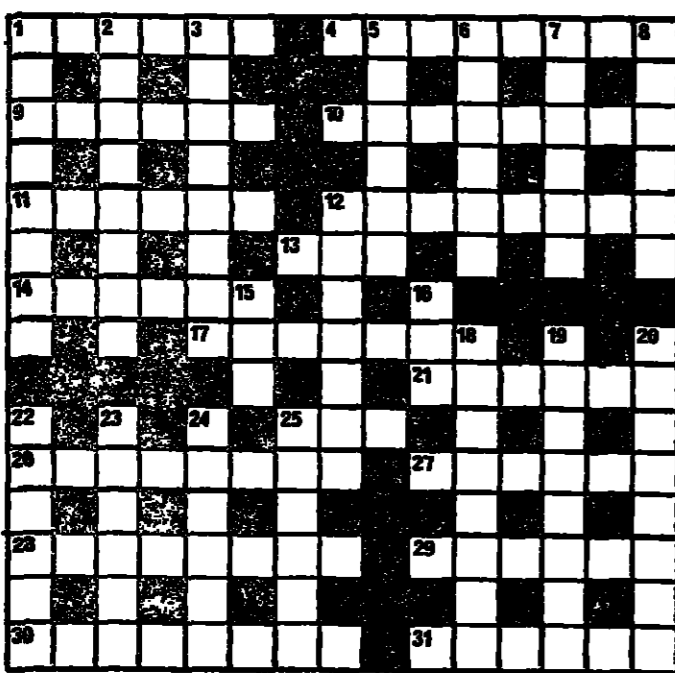
Table showing base lending rates for various banks and currencies, including columns for Bank, Rate, and Currency.

CLASSIFIED ADVERTISEMENT RATES

Table detailing classified advertisement rates, including categories like Appointments, Commercial and Industrial Property, and Residential Property.

FT CROSSWORD No.6,547

SET BY DANTE



- ACROSS
1 Watergate clue is contrived (6)
4 Composer daily consumes cheese (8)
9 Daren't become passionate! (6)
10 Poem done in my style (8)
11 One way of underlining a decision (7)
12 Just treatment for honest card-players (4,4)
13 Brick carrier returns with a note (3)
14 Pat can be disturbed in a snooze (3-3)
17 Spendthrift Walter's reformed (7)
21 They grip and hold on in the last resort (6)
25 Gone bad? (3)
26 Consignment of French uniform (8)
27 He may have set features at work (6)
28 Inflate an account maybe - or unduly reduce one (5)
29 Purveyor of drinks acquired weapon during prohibition (6)
30 The second mate's boys (8)
31 Gay Lib - the organisation (6)
DOWN
1 Counterfeit diamond piece (8)
2 Rise and fall of one of the French recently deceased (8)
3 Holy orders? (5,3)
5 Samuel's mother turns up just the same (6)
6 They foot the bill for farm accommodation, we hear (6)
7 Is about to revolt, but flags (6)
8 Arnold's alter ego (6)
12 Score twice if brought in to strengthen the defence (7)
15 Give father a kiss for the sake of peace (8)
16 Favourite mood? Hardy (3)
18 Bird to settle on a perch, perhaps (5)
19 Two things swindlers do and may be found guilty of in court (6)
20 Cut off with wrongly set compass (8)
23 Do rise above debts admitted to be bad (6)
23 Maintain there's some body in the beer (6)
24 Girl's describing publicity dodges (6)
25 Boat-works in order (6)
Solution to Puzzle No.6,546

ACROSS
1 WATERGATE CLUE IS CONTRIVED (6)
4 COMPOSER DAILY CONSUMES CHEESE (8)
9 DAREN'T BECOME PASSIONATE! (6)
10 POEM DONE IN MY STYLE (8)
11 ONE WAY OF UNDERLINING A DECISION (7)
12 JUST TREATMENT FOR HONEST CARD-PLAYERS (4,4)
13 BRICK CARRIER RETURNS WITH A NOTE (3)
14 PAT CAN BE DISTURBED IN A SNOOZE (3-3)
17 SPENDTHRIFT WALTER'S REFORMED (7)
21 THEY GRIP AND HOLD ON IN THE LAST RESORT (6)
25 GONE BAD? (3)
26 CONSIGNMENT OF FRENCH UNIFORM (8)
27 HE MAY HAVE SET FEATURES AT WORK (6)
28 INFLATE AN ACCOUNT MAYBE - OR UNDULY REDUCE ONE (5)
29 PURVEYOR OF DRINKS ACQUIRED WEAPON DURING PROHIBITION (6)
30 THE SECOND MATE'S BOYS (8)
31 GAY LIB - THE ORGANISATION (6)
DOWN
1 COUNTERFEIT DIAMOND PIECE (8)
2 RISE AND FALL OF ONE OF THE FRENCH RECENTLY DECEASED (8)
3 HOLY ORDERS? (5,3)
5 SAMUEL'S MOTHER TURNS UP JUST THE SAME (6)
6 THEY FOOT THE BILL FOR FARM ACCOMMODATION, WE HEAR (6)
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8 ARNOLD'S ALTER EGO (6)
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18 BIRD TO SETTLE ON A PERCH, PERHAPS (5)
19 TWO THINGS SWINDLERS DO AND MAY BE FOUND GUILTY OF IN COURT (6)
20 CUT OFF WITH WRONGLY SET COMPASS (8)
23 DO RISE ABOVE DEBTS ADMITTED TO BE BAD (6)
23 MAINTAIN THERE'S SOME BODY IN THE BEER (6)
24 GIRL'S DESCRIBING PUBLICITY DODGES (6)
25 BOAT-WORKS IN ORDER (6)
SOLUTION TO PUZZLE NO.6,546

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Large table listing various unit trusts, their managers, and performance data. Columns include Trust Name, Manager, and various financial metrics.

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LONDON SHARE SERVICE

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INSURANCES - Contd

Table listing insurance companies and their share prices, including Royal Indemnity, Commercial Union Assurance, and others.

PAPER, PRINTING, ADVERTISING - Contd

Table listing companies in the paper, printing, and advertising sectors, such as Reed International, Reederei, and others.

TEXTILES - Contd

Table listing textile companies and their share prices, including British Cotton Textiles, British Woollen Textiles, and others.

TRUSTS, FINANCE, LAND - Contd

Table listing trusts, finance, and land companies, such as British American Finance, British Finance, and others.

OIL AND GAS - Contd

Table listing oil and gas companies, including British Petroleum, Shell, and others.

MINES - Contd

Table listing mining companies and their share prices, such as Anglo American, De Beers, and others.

LEISURE

Table listing leisure companies, including British Skyways, British Airways, and others.

PROPERTY

Table listing property companies, such as British Land, and others.

TOBACCO

Table listing tobacco companies, including British American Tobacco, and others.

TRUSTS, FINANCE, LAND

Table listing trusts, finance, and land companies, such as British American Finance, and others.

OVERSEAS TRADERS

Table listing overseas trading companies, including British Overseas Airways, and others.

MISCELLANEOUS

Table listing miscellaneous companies and their share prices, such as British Airways, and others.

MOTORS, AIRCRAFT TRADES

Table listing motor and aircraft trade companies, including British Leyland, and others.

COMMERCIAL VEHICLES

Table listing commercial vehicle companies, such as British Leyland, and others.

COMPONENTS

Table listing component companies, including British Leyland, and others.

FINANCE, LAND, ETC

Table listing finance, land, and other companies, such as British American Finance, and others.

PLANTATIONS

Table listing plantation companies, including British Overseas Airways, and others.

MINES

Table listing mining companies and their share prices, such as Anglo American, and others.

NEWSPAPERS, PUBLISHERS

Table listing newspaper and publishing companies, including Reed International, and others.

SHIPPING

Table listing shipping companies, such as British Skyways, and others.

SHOES AND LEATHER

Table listing shoes and leather companies, including British American Tobacco, and others.

SOUTH AFRICANS

Table listing South African companies, such as Anglo American, and others.

TEXTILES

Table listing textile companies and their share prices, including British Cotton Textiles, and others.

REGIONAL & IRISH STOCKS

Table listing regional and Irish stocks, such as Anglo American, and others.

TRADITIONAL OPTIONS

Table listing traditional options and their prices, such as Anglo American, and others.

FINANCE, LAND, ETC

Table listing finance, land, and other companies, such as British American Finance, and others.

OIL AND GAS

Table listing oil and gas companies, including British Petroleum, and others.

MINES

Table listing mining companies and their share prices, such as Anglo American, and others.

PLANTATIONS

Table listing plantation companies, including British Overseas Airways, and others.

MISCELLANEOUS

Table listing miscellaneous companies and their share prices, such as British Airways, and others.

World Markets

WORLD STOCK MARKETS

Table of stock market data for various countries including Australia, Canada, France, Germany, Italy, Japan, and the UK. Columns include stock names, prices, and changes.

CANADA

Table of Canadian stock market data, including major indices like the S&P 500 and various individual stock prices.

Table of Japanese stock market data, listing various companies and their stock prices.

OVER-THE-COUNTER

Table of over-the-counter market data, including Nasdaq national market closing prices for various stocks.

Indices

Table of major stock indices including Dow Jones, Nikkei, and others, with their current values and percentage changes.

CHIEF LONDON PRICE CHANGES YESTERDAY

Table showing price changes for various commodities and currencies in London, including gold, oil, and the pound.

N. AMERICAN QUARTERLY RESULTS

Table of quarterly financial results for major North American companies, including revenues, net income, and earnings per share.

NEW YORK ACTIVE STOCKS

Table of active stock trading in New York, listing stock names, prices, and trading volumes.

LONDON SHARE SERVICE

AMERICANS - Cont'd

Table listing American stocks with columns for stock name, price, and change.

CANADIANS

Table listing Canadian stocks with columns for stock name, price, and change.

BANKS, HP & LEASING

Table listing bank and hire purchase/leasing stocks with columns for stock name, price, and change.

BEERS, WINES & SPIRITS

Table listing beer, wine, and spirit stocks with columns for stock name, price, and change.

BUILDING, TIMBER, ROADS

Table listing building, timber, and road stocks with columns for stock name, price, and change.

BUILDING, TIMBER, ROADS

Table listing building, timber, and road stocks with columns for stock name, price, and change.

CHEMICALS, PLASTICS

Table listing chemical and plastic stocks with columns for stock name, price, and change.

DRAPERY AND STORES

Table listing drapery and store stocks with columns for stock name, price, and change.

DRAPERY AND STORES

Table listing drapery and store stocks with columns for stock name, price, and change.

BUILDING, TIMBER, ROADS

Table listing building, timber, and road stocks with columns for stock name, price, and change.

DRAPERY AND STORES - Cont'd

Table listing drapery and store stocks with columns for stock name, price, and change.

ELECTRICALS

Table listing electrical stocks with columns for stock name, price, and change.

DRAPERY AND STORES

Table listing drapery and store stocks with columns for stock name, price, and change.

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DRAPERY AND STORES

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ENGINEERING - Cont'd

Table listing engineering stocks with columns for stock name, price, and change.

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INDUSTRIALS (Misc.) - Cont'd

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February 4 1988

NYSE COMPOSITE CLOSING PRICES

Table of NYSE Composite Closing Prices. Columns include Stock, Div, Yld, P/E, High, Low, Last, and Change. Includes sub-sections for 'Continued from Page 34' and 'S S Z'.

AMEX COMPOSITE CLOSING PRICES

Table of AMEX Composite Closing Prices. Columns include Stock, Div, Yld, P/E, High, Low, Last, and Change. Includes sub-sections for 'A B C D E F G H I J K L M N O P Q R S T U V W X Y Z'.

OVER-THE-COUNTER Nasdaq national market, closing prices

Table of Over-the-Counter (Nasdaq) Closing Prices. Columns include Stock, Sales, High, Low, Last, and Change. Includes sub-sections for 'A B C D E F G H I J K L M N O P Q R S T U V W X Y Z'.

Advertisement for Lisboa 887844. Text: 'Have your F.T. hand delivered... at no extra charge, if you work in the business centres of LISBOA & PORTO. Lisboa 887844. And ask Roberto Alves for details.'

LONDON STOCK EXCHANGE

Equities rally after another sluggish session but bonds fail to hold early gains

Account Dealing Dates table with columns for First, Second, Last, and Account Dealing Days.

THE UK STOCK market brightened towards the close of another unimpressive trading session, helped along by a promising start by Wall Street, as well as a bid worth £187m for Tricentral from Atlantic Richfield (Arco) topping by nearly £40m the previous offer from Elf Aquitaine, of France.

However, for most of the session, share prices were drifting lower in a turnover which remained disappointingly thin. With Wall Street sluggish overnight despite the prime cuts from the major banks, London could not hold an initial firmness. An uncertain start to the new session in New York quickly pushed London down by 17 points on the FT-SE scale, and a later rally owed much to a turn for the better in the transatlantic market.

The FT-SE 100 closed a net 8.1 down at 1766.3, well inside its recent trading range. Some analysts drew comfort from the market's rally as FT-SE 1760 came in view - the low of the day was 1757.1.

Turnover picked up towards the close and the day's share traded total of 405.4m was higher than in the previous session. There was increased business in the insurance sector, and oil shares were enlivened by Arco's move on Tricentral.

There has been good demand for the IL stocks, particularly since the Bank's action on bank base rates, which was seen as an inflation warning to the City.

Early gains of 1/4 in the IL stocks were trimmed later, but the sector received the news of the new stocks - £100m of 3 1/2% Treasury 2011 and £200m of 2 1/2% Treasury 2024 - enthusiastically, closing 1/2 up overall.

The City continues to view the outlook for the domestic economy with some concern. In a recent review, Citicorp Scrimgour commented that "slower economic growth and deteriorating competitiveness imply a poor international trading performance by the UK economy."

A leading dealer said, "the Tricentral bid saga is now effectively over by the UK economy. LASMO had earlier provided the action in an oil sector virtually becalmed for the previous session or so; rumours in the market suggested the long-expectation takeover bid from mining group RTZ is imminent and LASMO shares raced up to 322p before closing a net 7 up at 319p. Turnover in LASMO came out at 1.3m shares.

Enterprise Oil moved ahead strongly at the outset after press comment on the potentially substantial oilfield in the North Sea block 22/11 where Enterprise owns 100 per cent and is currently drilling a second well; up to 311p at one point, the shares later dipped back to close a net 6 higher at 307p on turnover of 1m shares.

Turnover in British Gas continued to increase with 1.4m shares moving through the Seng system. Buying and selling orders were roughly matched and Gas shares settled with little change on the day at 183p. BIP fully-paid were also virtually unchanged on turnover of 2.7m shares despite a large buying order early in the day. Turnover in the partly-paid

FINANCIAL TIMES STOCK INDICES table showing various indices like Government Secs, Fixed Interest, Ordinary, Gold Min, Ord. Div. Yield, Earnings Yield, P/E Ratio, SEAG, Equity Turnover, and Shares Traded for Feb 3, Feb 2, Feb 1, Jan 28, Jan 27, Jan 26, and Year Ago.

Day's High 1422.4 Day's Low 1407.3

LONDON REPORT AND LATEST SHARE INDEX: TEL. 01-0986 123001

General Accident sea-sawed in a composite insurance sector hit hard at the opening of the session as Warburg Securities, the London securities house, issued a major bearish circular on the sector.

Gen Acc, together with others in the sector, were marked down sharply to 820p but then began a sustained rally on news that it had pulled out of private car insurance in Massachusetts, USA, a major loss making operation for the firm, eventually closing little changed on the session at 835p. Turnover totalled 1.8m - well above the normal turnover for the stock.

Commercial Union, another leading composite insurer with substantial motor insurance business in the Massachusetts, came under fire and dropped to 325p before closing 3 down at 329p.

£48% featured losses in South African gold mining stocks as the bullion price dipped to a six-month low. Other major producers to take a knock included AngloGold, 45 lower at 931p. Rumours of Soviet selling of bullion unsettled the market.

However, selling pressure was fairly light as the rise in the financial Rand encouraged South African holders to hang on to their shares in the face of attempted selling from Europe. Consolidated Goldfields at 795p, gave up only 15, sustained by recent takeover rumours. Bank shares encountered a much reduced business with dealers reporting nervousness over the possibility of much increased competition in financial services from the building societies.

"More freedom for the building societies will inevitably put a squeeze on retail banking profits", said an analyst in the bank sector.

The close of business after at least two leading UK securities houses moved in as buyers of the sector on the view that the selling pressure had been overdone. Abbey, down to 250p, 931p. Rumours of Soviet selling of bullion unsettled the market.

Insurance brokers featured Sedgwick, finally up 3 at 221p, after 225p, as bid rumours continued to circulate. Milner to the Monopolies Commission. The Council of Lloyd's Department of Trade and Industry said it would not refer the 475p a share cash offer from America's St Paul for Milner to the Monopolies Commission. The Council of Lloyd's has also given the green light for the bid to proceed.

Leading Breweries were included easier with Allied Breweries, 537p, and Whitbread A, 285p, both rising around 5. Resisting the trend, Scottish and Newcastle encountered occasional support and put on 5 to 221p.

The undertone in the Building sector remained remarkably flat despite the recent hike in bank base lending rates. Leading issues traded quietly and showed little overall change. Elsewhere, Costal touched 278p prior to closing 5 dearer

on balance at 277p on news that Trafalgar House, 7 off at 322p, had increased its stake to 6.1 per cent. Magnet moved up 14 to 252p on revived bid speculation, while John Laing firmed to 303p prior to closing a penny dearer at 304p following a broker's recommendation. Redland revived with a gain of 5 at 423p, but recently-firm George Wimpey encountered profit-taking and eased 4 to 246p. Ruberoid added 3 to 145p as funds under control of Scottish Amicable Investment Managers increased their holding to 6.5 per cent. Mandrake advanced 15 to 321p and Vibron rose 12 to 640p in restricted markets, but recently-active Istock Johnson drifted off to close 6 cheaper at 173p.

ICI drifted back in thin trading to close 4 off at £104, but Wardle Stearns attracted occasional buying interest at 643p, up 5, and Rentokil put on 5 to 185p. Following the Monopolies and Mergers Commission's report on the supply of pest control services in the UK, Coates Brothers issues, firm of late in the wake of acquisition news, came back on profit-taking, the Ordinary losing 9 at 365p and A shares 6 at 338p.

Traders reported a disappointingly quiet day in the leading retailers which have been hit recently by numerous profit-downgradings by leading broking houses. Sears, a weak market on Tuesday when Warburg lowered their profits forecast for the company, steadied yesterday to close fraction harder at 126p with turnover over 6m shares traded. Turnover in Marks and Spencer remained at a relatively high level - almost 5m shares changed hands - with business said to have been largely driven by traded options business.

Wigfalls, where Dixons announced a 225p a share cash bid on Tuesday, edged up 4 to 226p after Dixons said it spoke for over 32 per cent of the votes.

It was very much a routine day in the electricals industry as share prices closed little changed after a Press report of a possible bid for the company from STC; Plessey shares settled a net 6 higher at 153p with turn-

over expanding rapidly to 4.1m shares. STC, however, dipped the same amount to 232p but turnover here was a fraction less than 600,000 shares. Trizon EMI slipped back 3 to 577p after the recent good news, mainly reflecting the activities of an unsatisfied large buyer, closed 10 to the good at 90p. Hopkins was also favoured at 104p, up 6. Acquisition news left Triplex 140p unaltered.

Among the Engineers, bid speculation continued in Weir Group which advanced fresh to 231p before falling back to close only 4 better on balance at 220p. B. Elliott, mainly reflecting the activities of an unsatisfied large buyer, closed 10 to the good at 90p. Hopkins was also favoured at 104p, up 6. Acquisition news left Triplex 140p unaltered.

Rate and Lyle moved within narrow limits awaiting news from the AGM and closed a shade cheaper at 795p. Unigate, a firm market of late, came back 7 to 286p. Food Retailer featured Ewix, which gained 11 to 320p on revived bid speculation.

The volume of trade in the major international stocks showed few signs of expanding from the recent lull. Hanson, however, attracted a reasonable trade (some 4.8m shares) in the wake of rumours that it may be about to sell of its Ross Foods division and the share price closed 1 1/2 higher at 131p. Among the pharmaceuticals, Glaxo closed a little above the worst with a fall 1/4 at £104. Beecham, however, managed a gain of a couple of pence at 487p following the announcement that the company's heart drug Embrace has been selected for an important new study in 11 European countries. Doctors will test the benefits of using Embrace as a first line treatment before the patient reaches hospital. In contrast, Boots, a current sell recommendation with Barclays and Zoete Wedd, reacted 7 to 240p.

British Airways were actively traded (4.2m) before settling 3 cheaper at 186p. Elsewhere, enticed by news of the sale of its building services division to Initial for £8.5m, closed a shade dearer at 100p in a volume of some 2.3m shares. Marketmakers reported several big buyers for Granada which continued to edge higher and closed 5 to the good at 335p. Profit-taking clipped 10 from Press Tools at 340p while Savage eased 7 to 215p on news of the proposed acquisition of Gelson Industries (UK), a supplier of bathroom accessories.

Another quiet day in the Property sector resulted in small losses for leading issues. Land Securities settling a couple of pence off at 479p and M&P&C lost 10 to 458p. Elsewhere, Peasey, however, continued to attract buyers and added 3 more to 395p, while Wates City Of London Properties revived at 171p, up 3; the latter's shares were recently recommended by Warburg Securities. Imry International were marked 15 higher to 390p as Westminster City Council cleared the way for the company's development proposals for the redundant St George's Hospital site at Hyde Park Corner. Imry now have planning consent for a 124 bedroom 5-star hotel to be created within the classical hospital building.

Traded option contracts contracted. Total contracts came out as just 17,000 made up of 9,957 calls and 7,079 puts. 858 and 422 puts while the FTSE contract registered 2,067 calls and 443 puts.

Traditional Options

For rate indications see end of London Share Service

Dealers reported another relatively lively business in the Traditional option market. Stocks to attract money for the call included Black Leisure, Randworth Trust, Bio-Inte, Rolis-Royce, F&I Bank, B&A, W. Lawrence, Stomgard, Alpine Soft Drinks, British and Commonwealth, Firstland Oil and Gas and Bryant Holdings. A put was arranged in B&A at 100p and double options were reported.

FT - ACTUARIES INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Table with columns for EQUITY GROUPS & SUB-SECTIONS, Wednesday February 3 1988, and various financial metrics like Index No., Day's Change, etc.

Table with columns for FIXED INTEREST, AVERAGE GROSS REDEMPTION YIELDS, and various financial metrics like Index No., Day's Change, etc.

LONDON TRADED OPTIONS

Table showing CALLS and PUTS for various stocks like Allied-Lyons, B&A, B&S, etc.

NEW HIGHS AND LOWS FOR 1987/88

Table listing new highs and lows for various stocks like ASDA, Allied-Lyons, Amersal, etc.

TRADING VOLUME IN MAJOR STOCKS

Table showing trading volume for various stocks like ASDA, Allied-Lyons, Amersal, etc.

RISES AND FALLS YESTERDAY

Table showing rises and falls for various categories like British Funds, Corporate Bonds, etc.

LONDON RECENT ISSUES

Table listing recent issues for various stocks like B&A, B&S, etc.

FIXED INTEREST STOCKS

Table listing fixed interest stocks like British Government, etc.

RIGHTS OFFERS

Table listing rights offers for various stocks like B&A, B&S, etc.

* Flat yield. Highs and lows record, base dates, values and constituent changes are published to Saturday Issues. A new list of constituents is available from the Publishers, The Financial Times, Brackley House, Cannon Street, London EC4A 3DF, price 15p, by post 35p.